MONACO

A whiff of scandal hangs in the air

World News

Rockets and landmine kill 32 in Afghanistan

Rebel rocket attacks on two towns and a landmine attack on a bus killed 32 people, according to the Soviet-backed Afghan authorities. Three patients and a nurse at a hospital in Kandahar were among

Politburo resigns The entire Communist Party Politburo ruling Yugoslavia's Vojvodina province resigned after 100,000 protesters demanded they quit office.

Ozal plea to EC Turkish Prime Minister Turgut Ozal said his country should be allowed to enter the European Community because it was stronger economically than Greece, Spain and Portu-gal when they joined.

Star Wars estimate The Pentagon unveiled propos-als for a slimmed-down version of the "Star Wars" defence syswhich would cost \$69bn. a sharp drop from original esti-mates of \$115bm. Page 6

US, Israel accord US has agreed to give Israeli arms purchasers in the US diplomatic immunity despite controversy over Israeli attempts to buy barred military technology, an Israeli official said.

Campaign censored A Supreme Court judge over-seeing Israel's election campaign censored pictures of army brutality from a televised political broadcast by the Cen-tre Party, ruling no soldiers in uniform may be shown.

Secret ballot delay **Italian Parliament postponed** until next Tuesday its final . judgment on the Government's attempt to impose strict limits on the use of secret voting.

Jaguar strike 'over' A strike staged yesterday by 3,500 workers which halted production of Jaguar luxury cars at its plant in central England, ended last night, the company said.

Swiss scrap N-plan Switzerland's Parliament has scrapped plans to build a sixth nuclear power station.

Swapo men barred South African authorities in Namibia have barred three leading nationalists – all senior members of Swapo - from attending a meeting in Lusaka on the territory's future, Swapo said.

UK Labour defeat Britain's Labour leadership suffered a severe defeat over nuclear disarmament when delegates to the party conference in Blackpool rejected a motion backed by the executive which called for a step-bystep approach to disarmame Page 7

Stalin on trial Leading Soviet intellectuals are seeking to organise a pub-lic tribunal on the crimes of

China gold rush riot A Kloudike style gold rush in Qinghai Province, north-west China, has triggered miners' riots, gang wariare and near-starvation among peasants driven from their land, a Chi-nese newspaper reported.

Tokyo Nikkei average (1000) S1.8928 (1.8945)

London: \$1.8935 (1.8960)

DOLLAR

Funds 84% Y133.62 (133.35) London: Castury BRIs: DM1.8635 (1.8625) FF6.3500 (6.345)

7(71₂)
3-mith Treesury BRIs:
yleid: 7.51% (7.43)
Long Bond: 101,2
(102,4)
yleid: 8.97 (8.92)

London: DM1.8635 (1.8625

PF76.3500 (6.345)
SF71.5530 (same)
Y133.45 (same)

QOLD

DM3.1550 (3.1600) FFr10.7525 (10.7600) SFr2.6800 (2.6850) Y226.00 (226.25)

New York close DM1.8658 (1.8632) FFr6.3570 (6.3470) SFr1.5848 (1.5835)

MARKETS

Business Summary Fiat joins

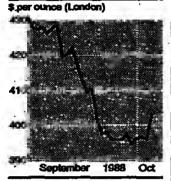
No.30,661

Chrysier to distribute Alfa Romeo

FIAT, Italian car group, signed a letter of intent with Chrysler, big US car manufacturer, to form a 50-50 joint venture com-pany to distribute three models manufactured by Fiat's Alfa Romeo luxury car subsidiary.

GOLD bullion closed at \$408.25 an ounce – the first move above the \$400 level for two

Gold Price



weeks — es crude oil prices stabilised and some buying interest appeared. Page 42

BRITISH STEEL, state-owned UK manufacturing company which is to be floated for an expected 22.5bn (\$4.2bn) in the second half of next month, has drawn interest from Japanese. US, Canadian and European investors in buying stakes in the privatised company. Page

WEST GERMAN economy continues to defy expectations of sluggish growth with some economists now predicting 4 per cent growth in gross national product for the year following an announcement of strong industrial order figures for August, Page 3 SOCIETE GENERALE, large

privatised French banking group, reported a 22.6 per cent increase in overall first balf net profits to FFr1.64bu (\$257m) and a 21 per cent-increase in first half net earmests to FFrL44bal Page 22

NESTLE, Swiss foods group, announced plans to buy Cooper Surgical, ophthalmic surgery business of Cooper Companies in Irvine, California for \$325m in cash.

metsubishi motors (mmc), Japan's fourth biggest car maker, is to be floated on the Tokyo Stock Exchange by the end of this year, according to market operators. Page 25

MIPPON OIL of Japan has agreed in principle with Tex-aco of the US to jointly explore for oil in an onshore field on Alaska's North Slope. Page

LORENZO NECCI, chairman of Italy's state-owned Enichem chemicals group, unveiled some spectacular profits for the first half of 1988. Page 22

INVESTCORP, Bahrain-based hank, has arranged the sale of Mueller, leading maker of valves, hydrants, pumps and fittings in the US and Canada, to Tyco Laboratories for \$366m

ASKA Brown Boveri, Swedish Swiss engineering concern, and Siemens, West German electricals group, agreed to pool activities in advanced nuclear reactor technology.

PARIBAS, French privatised financial and banking group, described as "complete fiction a series of runours suggesting the Pargesa-Bruxellea-Lambert group led by Gerard Eskenazi and Albert Frère had built up a stake of between 17 and 20 per cent. Page 24

HOECHST, West German chemicals and pharmaceutical group, said it would increase its regular dividend for 1968, but did not specify how much it would pay. Page 24

New York close Dow Jones Ind. Av. 2,107.57 (+1.06)

273.38 (+1.02)

1,838.9 (+12.6)

27,172.34 (-233.15)

125.86 (Wed) Tologo Nikkei Ave

FT-8E 190

World

State of siege declared in Algiers as riots continue

By Francis Ghilès in London

PRESIDENT Chadli Bendjedid of Algaria declared a state of stege in the capital Algiers yeaterday as rioting provoked by economic hardships continued for a third day. The riots were the worst Algiers has seen in more than two decades.

After an urgent meeting on

After an urgent meeting on Wednesday night between senior members of the Government and the leadership of the ruling Front de Libération National party, the President put the military in charge of civil administration and the security services. ecurity services.

For the first time since the riots began the army took up positions in front of the main

public buildings.
The military authorities quickly imposed a midnight to 6 am curfew in Algers and the ootlying suburbs of Rouiba and Cheraga, according to APS, the official Algerian represents.

Several people were reported injured in clashes yesterday between demonstrators and the security forces, and shooting was reported in the El Blar district on the hills above the city centre. Some witnesses said soldiers were firing into the air to disperse crowds.

There were unconfirmed reports of incidents in the town of Berroughia, 100 miles

due east of the canital but troudue east of the capital but trou-ble does not appear to have spread to any other major city.

The riots in Algiers caused extensive damage to shops and cars and the Ministry of Youth and Sport was guited by fire. Rioters singled out government buildings and offices, venting-their super at recent price buildings and offices, venting their anger at recent price increases and the shortages of a number of staple products which have plagued the country during the past year.

The worst drought in 30 years has also deprived many city dwellers of water for weeks on end during the summer adding to the othe causes of frustration.

Economic difficulties also browded the last serious outbreak of rioting in Algeria in the eastern cities of Constantine and Setif two years ago.

Inmically, the reasons which led to the violence were described in a keynote speech by President Bendjadid Chadli two weeks earlier "So long as two weeks earlier. "So long as citizens continue to evade their responsibilities, the state can-not be expected to perform miracles," was the blunt warn-ing delivered by the head of state in a hard-hitting speech, relayed in full three times on

state television.
The Algerian head of state
Continued on Page 20

ECONOMIC PROFILE GRIP (1984) \$49.6bm* • Annual per capita income (1982) \$2,350*

(1982) \$2,350*
• Currency: Dinar
• Exports: oil, refined products; condensates, gas, making up 97.5 per cent of foreign currency earnings of \$12km (1985). Gas exports 20km cubic metres to France, italy, Spain, Belgium. Gas reserves, estimated at 3,700km cubic metres, are the fourth largest in the world • Imports: capital goods, food *Source: World Bank



Chile prepares for return to democracy after Pinochet defeat

CHILE yesterday began the ong and ardnous task of preparing a transition to democracy in the wake of General Augusto Pinochet's defeat in Wednesday's presidential plebi-

After admitting defeat early yesterday morning, the regime's first official reaction was the resignation of the was the resignation of the entire cabinet. This was preceded by a meeting of the ruling military junts, presided over by Gen Pincchet.

The composition of the new cabinet will be a key indicator as to whether or not the military regime which has ruled Chile since 1973 is willing to meet opposition demands for a rapid return to democracy. · Final returns showed a 54 per cent "No" vote against a new eight-year presidential term for Gen Pinochet, and a 43 per cent vote in favour.
The vote passed off on Wednesday without serious incident and witnessed by an unprecedented number of

international observers, includ-ing US and European parlia-Althogoh the 16-perty coali-tion backing a "No" vote repeatedly warned its sympathisers to stay at home after voting, thousands of Chileans went into the streets to cele-

brate the "No" vote victory. Riot police used tear gas and water cannon yesterday to break up a crowd of demonstrators who marched on the presidential palace chanting "Pinochet has fallen." Others chanted To Paraguay, to Paraguay," a reference to the military dictatorship of Gen Alfredo Ströessner, where Gen Pinochet is also believed to have property.

The regime conceded defeat

after Gen Pinochet met his cabinet and the commanders of the country's navy, air force and national police in the La.
Moneda presidential palace.
The meeting continued for a
time after the three military commanders, who had origi-nally opposed Gen Pinochet's candidacy in the plebiscite, had left the palace. Mr Sergio Fernandez, Inte-rior Minister, a hard-liner, read

a prepared statement in which he said the Government would abide by the results of the plebiscite. The regime would strictly adhere to and "make others shide by" Chile's 1980 Under the constitution, Gen-

Pinochet must call elections for the presidency and a new Parliament to be held in December 1989. He will stay in onice until March 1988. Chilean opposition leaders have indicated a desire for an earlier vote. Mr Ricardo Legos, president of the Party for Democracy, said he and other opposition leaders had not yet requested a meeting with offi-class and were waiting for the situation to stabilise.

ment has been defeated. Now begins the hardest task - to rebuild the democratic system," Mr Lagos said. The eventual composition of the regime's new cabinet will be crucial in setting the tone of

The authoritarian

any dialogue between Chilean

anthorities and opposition anthorities and opposition political groups, as well as determining the Government's direction in the coming months. Against this background, the post of interior minister and cabinet chief takes on considerable importance. Should Mr. Service Ferrance, Should Mr. Service Ferrance, Should Mr. Service Ferrance. tance. Should Mr Sergio Fernandez be confirmed in his post, many political observers predict the regime will con-tinue to adhere to a rigidly right wing line.

Another key post is that of Mr Hernan Buchi, Finance Minister, who is widely respected among Chile's business and international banking communities. Mr Buchi found himself under considerable pressure during the plebiscite campaign to release more goverument funds for populist projecis. His departure from the Cabinet would imply a sort of official reprisal for Gen Pin-ochet's defeat in the one-man

The black market rate for the peso against the dollar moved up from \$288 to \$300, on news of the General's defeat. However, the peso rate has held relatively steady and the outcome of the vote had largely been discounted by ear-Her speculation, and the sheer impact of large numbers of journalists and international market whose daily turnover is no more than \$3m. The stock market was a little more neryous, registering a 14.8 per cent fall in the day's dealings. Meanwhile, Italy said yester

day it was restoring normal Continued on Page 20 diplomatic relations with Chile

Republicans rally round battered Dan Quayle

By Stewart Fleming in Washington

PRESIDENT Ronald Reagan yesterday led an effort by the Republicans to rally round Senator Dan Quayle, their vice-presidential nominee, after a bruising debate with Senator Lloyd Bentsen, his

Democratic opponent.

Mr Reagan accused Mr Bentsen of a "chesp shot" when the Texan remarked in the debate that Mr Quayle had no right to compare himself with John E Kennedy who at the area? F. Kennedy who, at the age of 43, ran successfully for Presi-

dent in 1960.

The Republican decision to send Mr Reagan in to bet on behalf of Mr Quayle, 41, measure to be a concession that Mr Bentsen had accord heavily in the vice-presidential debate held in Omaha, Nebraska, on Wednesday night.

However, political experts and newspaper columnists

and newspaper columnists suggested yesterday that it was too soon to judge whether Senator Quayle's stumbling performance would cause performance would cause long-term damage to the Republicium ticket led by Vice-President Gouge Bush.

It may slow the momentum which Mr Bush has been able to build over Governor Michael Dutakis of Missachusetts, his Desporate component his Democratic opponent.

The debate's most electrify-ing moment came when Mr Quayle, who had been ques-tioned several times by a panel tials to serve as a potential president, compared himself to the youthful Senator Kennedy. Mr Bentsen, 67, looked at Mr Quayle and said: "Jack Kennedy was a friend of mine and,

Japan presses trade case against EC

JAPAN SHOWED its determination to pursue its complaint against the European Community's anti-dumping policy yesterday by asking the General Agreement on Tariffs and Trade to adjudicate on the dimental

It is the first time that Japan has hauled a trading partner before the Gatt and indicates that it is prepared to defend its trade interests more aggres-sively than in the past. A senior Japanese official said that in view of European countries' discriminatory

behaviour towards Japan, it could be expected to take many other issues to Gait for adjudication. Tokyo's move came a day after the European Court of Justice had turned down an appeal by five Japanese electronic typewriter companies against the anti-dumping duties imposed by the EC Com-mission's on products essen-

mission's on products sessin-bled in Europe.

Mr Yoshio Hatano, the ambassader to the world trade organisation, formally usked the Cett council at its next meeting on October 18 estab-lish a panel to hear Jesus's case that the EC anti-timping case that the EC anti-dimplific hash? In hilateral consulta-levies contravene Chit rules. Hash with the EC Commission On Monday Japan Saked hash month. European Commis-Gatt's anti-dimplifing contributes slam officials yesterday greeted to try to concluste between the with equantity the Japanese two sides: This is the list step demand for a Gatt panel into in a securate long winded two. The controversial EC regula-

that it would take action on

A Grosvenor Estate Development by

both tracks in Gatt. At the core of the dispute is Brussels' campaign against so-called "screwdriver" plants. The EC Commission con-tends that these plants are tends that these plants are intended to circumvent the anti-dumping duties which it would be entitled to levy on imports of finished products sold in Europe at prices below those charged by manufacturers on their home market.

Japan claims that the Commission has not properly assessed whether the components are being imported at dumping prices, has failed to substantiate "injury" to European producers and is requiring that too high a percentage

ing that too high a percentage

.EC action has been extended from electronic typewriters and scales to Japanese photo-conters, computer printers and video cassette recorders assembled in Europe, covering products worth several billions of dollers in minutel sales.

contains in summer sales.

Could punel was being made after it had failed to obtain a maturally satisfactory settlement. In historial consultaor a separate, long window pays the conversation of the pays of comeduce leading to adjudication those against dumping of comeduce leading to adjudication those against dumping of comeducation of the pays and the formation of the pays and anti-dumping code.

Mr Hatano said Japan had dent that our raise are in conwarned the EC Commission formity with the Gatt," a

Minorco says Gold Fields chief

MINORCO, the South African-controlled investment company, claimed yesterday that Mr Rudolph Agnew, chairman of Consolidated Gold Fields, had agreed to back a merger of the two groups in December 1936, only to be overruled by the Gold Fields board. In an effort to undersut Mr

not announced at the time. However, Mr Agnew said last night that Minorco was "either genuinely confused or bending the facts" about the hoard meeting where the merger plan was proposed by Mr Julian Ogilvie Thompson, Minorco chairman and a Gold

Fields director.

"When he finished, the thing was dead and gone forever,"
Mr Agnew said. Mr Oglivie

the combined group; the same issue on which it is basing its current defence.

Mr Roger Phillimore, Minorco commercial director,

nies in late 1986. Its dossier included a draft

Thompson and another Minorco representative with-drew, and the remaining Gold Fields directors unanimously rejected the merger.
The 1986 talks foundered,
Gold Fields said, on the question of South African control of

Minorco, a Luxembourg-based company, is controlled by Anglo American and De Beers, two arms of the South African Oppenheimer family's

said Gold Fields' outright rejection of the financial and com-mercial logic of the latest bid was not compatible with its conduct during the 1996 talks.
The history of those negotiations also made clear, he said, why Minorco had made its latest offer direct to Gold Fields

sharsholders rather than approach the board again.

Mr Agnew said Gold Fields had entered into the 1986 talks because "we were under extreme pressure from Minorco either to do something with them or they would sell out to

A hostile party."

Minorco, Gold Fields said, had failed to realise its concern about the "irreparable harm" to its business if the company came under 8 African control." Lex, Page 20; Minorco state-ment extracts, Page 31; GFSA

43,46

agreed to back merger in 1986

In an effort to undercut Mr Agnew's opposition to the cur-rent 22.9bn (\$4.9bn) takeover bid for the UK-based mining and construction materials group, Minorco issued a detailed account of negotiations between the two compa-

press announcement – never released – giving details of a recommended offer under which Minorco and Gold Fields were to have been merged into

a new holding company based in continental Europe.

Gold Fields said yesterday it had never sought to deny the 1986 discussions, which were

Lambsdorff sets his sights on

Count Otto Lambs dorff, the former West

German economics

minieter who was forced out of office in

1984, appears to be

staging a comeback and seems set to win the chairmanship of

cratic Party.

regaining old power base

Airbust Death of Franz Josef Strauss casts a shadow over talks Hungarys Scepticism greets move to free pri-

Italy: MPs in no hurry to decide on secret voting transact politices Tehran falls to find a third Editorial comments But Waiting for Sir Godfray sents Burden-sharing in Nato; Lex British Steel; Credit cards; Gold Fields;

plans to rise Financial Futures Gold International band Int. Capital Marke Latters Stock Markets -Wall Street national bonds = 28.27 Capital Markets 28.27

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EUROPEAN NEWS

Italian MPs in no hurry to decide on secret voting

By John Wyles in Rome

THE ITALIAN Parliament has once again demonstrated its ineptitude in delivering a decision according to any estab-lished schedule, by postponing until next Tuesday its final judgment on the Government's attempt to impose strict limits on the use of secret voting.

If members of the lower house do dispose of the issue next Tuesday, they will be about 12 days behind the time-table originally set by the par-liament's business managers. The delay partly reflects the seriousness of the issue as it affects backbenchers, partly the Government's need to negotiate with the Christian Democrat component of its own majority, and partly the scope allowed the Communist

opposition to hold things up.
The opposition has thus been able to pursue its political objections behind procedural manoeuvring, most of which has been based on the argu-ment that the majority should not be seeking to make a major change in parliamentary proce-dures without negotiating an

agreement with the opposition.
This is a view shared by some Christian Democrats. But Mr Ciriaco De Mita, the Christian Democrat Prime Minister, has ruled out such a negotia-tion as too late and without hope if the Communists are dug in on their position that the secret vote must only be outlawed on financial and bud-

Some Communists are prepared to concede much more, such is the party's disarray on the issue – exceeded only by the division and unease among

However, the Government appears confident that it will have the necessary absolute majority (by secret vote) for a proposal which retains its use for constitutional and family rights issues as well as for electoral law reform in whichever house of parliament deals with the question first. Thus, if the secret vote is used on voting laws by one house, then the other would be required to vote openly on the same issue.

Bonn to urge EC to act over ozone hole

WEST GERMANY will urge the European Community to adopt measures to reduce dras-tically the production of chemi-cals that destroy the earth's protective ozone layer, Envi-ronment Minister Klaus Toep-fer said yesterday, Reuter reports from Bonn.

Bonn would seek an 80 to 90 per cent cut in output of Chlorofluorocarbons (CFCs) over the next 10 years, he said. CFCs are widely used as aero-sol propellants and refriger-ants, in foam packaging and insulation, and as solvents in

CFCs break up the ozone layer which shields the earth from harmful ultraviolet rays. Scientists say its destruction could lead to an increase in skin cancer.

In 1987, 24 countries signed a protocol in Montreal commit-ting them to halve CFC consumption by 1999.

"The West German govern-ment aims to bring in the measures to reduce CFC production and consumption announced in the Montreal Protocol much faster than scheduled through additional national measures, and to exceed them wherever possible," Mr Toepfer said in a state-

He said he would press for support at the next meeting of the European Ministers' Council in November.

Ankara court frees Christian evangelists

By Our Foreign Staff

TWO Britons, Mr Juylan Lidstone, 37, and Mr John Cor-nelius, 23, were released by a Turkish State Security Court in Ankara last night after a week with seven Turks and an American for alleged attempts to spread Christian

propaganda.

The court discharged all 10 The court discharged all 10, after mounting international protests including behind the scenes warnings to the Turkish Government that the case could jeopardise both Turkey's application to join the European Community as a full member and plans to reactimember, and plans to re-acti-vate Turkey's parliamentary links with the Community in November after a gap of eight

However Mr Lidstone said last night that the Turks in the group had been ill-treated during their time in castody. The men had been beaten with sticks and punched. He said the group was planning an international protest at their treatment. restment

The release marked an abrupt turnaround in the attitude of the Turkish authorities. The two men were paraded before press photogra-phers and TV cameramen on Wednesday night with Bibles as evidence of their guilt.

A single-session acquittal by a Turkish State Security Court is more or less unprecedented, apparently reflecting a response to international pressore over the case.

Though officially a secular state, Turkish officialdom has always viewed Christianity with suspicion and there has been a resurgence in Islamic feeling during the 1980s, with religious education being

The re-arrest last week of the Ankara group was being linked to signs of harassment in other Turkish towns in the last few months. This probably reflects the growing influence of Islamic fundamentalisis in the Ministry of the Interior and the police.

This was the second time this year Mr Lidstone and his companions had been



Pope John Paul yesterday met Mr Turgut Ozal, Prime Minister of Turkey, whose country's laws against religious propaganda have come into international focus following the detention of a group of evangelical Christians. Mr Ozal said after talks at the Vatican that he would welcome a second Panal

Scepticism greets Hungarian move to free private enterprise

By Leslie Colift in Berlin

A NEW law on private enterprise designed by Hungary's reformist leadership to help liberalise and restructure the inefficient economy is meeting with scepticism as to

The law, passed this week by the Hungarian parliament, was hailed by Mr Kalman Kulcsar, the Justice Minister, as being "highly significant" for eco-nomic, social and legal policy. It provides for the establish-

ment of joint stock companies, whose shares can be traded by Hungarians, and for them to be on an equal basis with state companies. Foreign ownership. of entire Hungarian companies will be permitted for the first time in an East European

country.
Firms which have a majority of privately-held shares will be allowed to employ up to 500 people compared with a present limit of 60. The law is to come into effect in January.

Mr Kulcsar said on introducing the draft law that after 40 years of strict regulation it was not surprising that some Hun-garians, especially the elderly viewed joint stock companies as "capitalist".

A related law, likely to be passed shortly is to deal with the conditions under which state firms can be transformed

into private or partly private companies. The Hungarian leadership, however, has emphasised that a majority of the shares of important compa-mes will remain in state hands. Ms Georgie Kocsis, a journalist at Hungary's leading economic weekly, Hvg, said yesterday that many Hungarians were sceptical the new law will help transform the economy.

This system has the ability

to change things which are against its own nature," she The key issue, Ms Kocsis said, is that of ownership of state companies. If the major-

ity of shares remained in state hands than little economic change could be expected. Political or economic "interference" from above with the new joint stock companies could undermine the new law, she

Mrs Kocsis noted that the other side of the com was that expected to want to buy shares in loss-making state compa

A study earlier this year by the Independent Finance Research Company in Buda-pest concluded that the econpest concluded that the econ-omy was in such deep crisis: that even radical economic lib-eralisation would only begin to show the desired results in five to eight years. The leadership subsequently indicated it was prepared to take radical steps which would lead to wide-spread closure of inefficient companies and temporary. companies and temporary unemployment of up to 200,000

The Hungarian Finance Min-ister, Mr Miklos Villanyi, yesterday withdrew a draft law or a new corporate profit tax after MPs said they had not had sof-ficient time or information to

The Government had wante swift passage of the law so that companies could adjust their plans for next year to it. The draft, which is to be revised and resubmitted next month had provided for all companies
— state, co-operative and private — to be taxed uniformly at

Gorbachev election fails to end debate

By Quantin Peel in Moscow
THE RESCTION of Mr Michael
Gorbachev, the Soriet lender,
as president of the Supreme
Soviet – the national partiament – has failed to quality
heated debate on whether
Communist Party leaders
should be allowed simultaneously to hold both jobs.
Mr Gorbachev hinself has
strongly backed the idea, as a
way of raising the statist of the
country's elected Soviets, and
as a means of subjecting local
party leaders to a double election process, within the party,
and in the Supreme Soviet.
However critics like it as a
way of maintaining the encesive stranglehold of the ruling
party on political define, and
as confusing the roles of the
party officials with the legislators supposed to be becoming
more independent in the
reformed Soviet system.
Yesterday the Communication
rety or promission in the Party

Yesterday the Communist party organisation in the Baltic republic of Latvia Machine a strong grass roots reform movement, the Popular Front pointedly ignored an oppositionity to follow Mr Gentacheva lead, and appointed separate men to the points of party leader and president of the Latvian Supreme Soviet.

Mr Jan Vagris, the former president, was elected party leader in place of Mr Boris Pugo, who was promotise in last week's reshuffle.

Yesterday Mr Vagris was replaced as president by 46-year-old Mr Anatoly Godbunov. regarded as a reformer by Lat-vian intellectuals, and therefore likely to be welcomed by the Popular Front. The fact

that Mr Vagris did not auto-matically take on the two jobs underlined the moperability the proposal has caused at all levels of the ruling party.

A least week in Pravia, the Communist party central committee newspaper, by Mr I. Shchvets, who heads a consultation of the proposal control of the consultation of the co

Shehvets, who heads a consultative group on objective sideral party work at the central committee. Admitting that many people were extrement, from within the rolling party as from outside it he argued it would strengthen the role of the Societs, and equally that of the party.

Much of the opposition saggests a continuing health? of Committee the outderstand Mr Gorbachev's desire to take the party out of

desire to take the party out of executive government but allow it to remain in (and dominate) the elected legislatures.

Professor Konstantin Sheremet, editor of the magazine Soviet State and Law suggested that not all Communist party leaders were capable of the sort of democratic meth-

of the sort of democratic meth-eds of leadinging necessity in an elected Soviet.

They suitable is an authori-

farian leader for work in the Soviets, however brillhost he asked. The new role for the Soviets, and a new electoral system allowing for lar more multiple candidate election, is currently being drafted. It will include much wider budgetary powers for the elected Soviets-amother key element in Mr Gorbichev's plan to give the elected bodies more authority.

Judge fires parting shot at squabbling EC states

By David Buchan in Lixembourg

LORD Mackenzie Stuart deni Mr Ole Due, 57, of Denyesterday used his farewell mark was only made possible by settlement last month of Europeani Court to take a row over the nationality of the court's work by failing the court's 13th judge.

Spain eventually won the court's 13th judge and the UK agreed to a new EC manner than states managed to perform their simple and unambiguous duties under the treaties in Each of the 12 EC states, nominating judges.

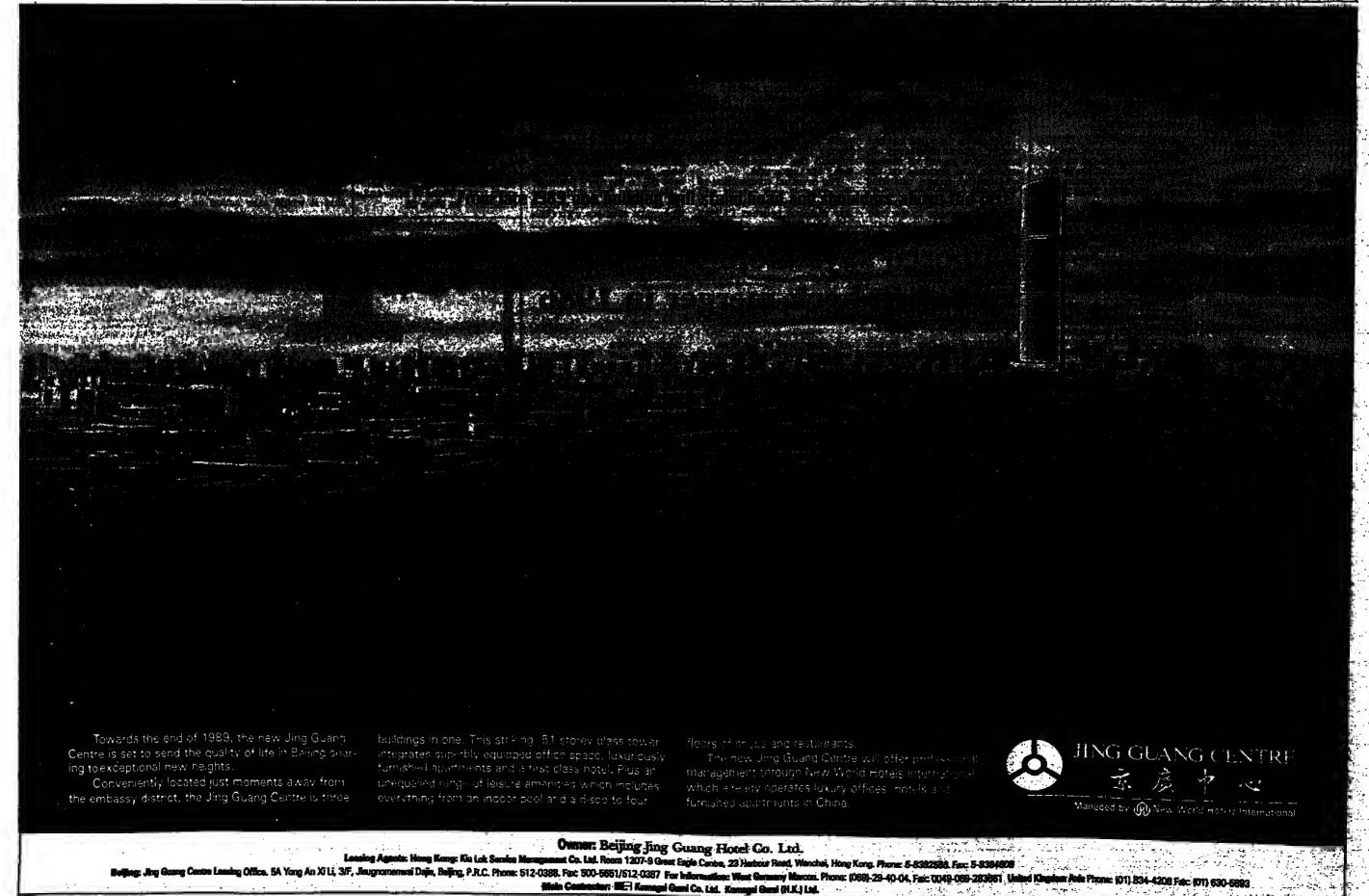
5 436 2

10 3%)

ber proceding them in the rota-tion of the mammation of the 18th judge, among the five larger EC states. Each of the 12 EC states, regardless of kize, nominates one judge, but an old number of judges is needed to enable

nominating judges.

The inauguration of five one judge, but an odd nom judges yesterday and the of judges is needed to emaporational of a new press.



Strauss's death throws shadow over Airbus talks

By David Marsh in Bonn

THE DEATH this week of Mr Franz Josef Strauss, the Bavar-ian Prime Minister, has added a further complication to long-running attempts to restructure the West Germany aero-space todustry. It also comes as a psychological blow to contested plans to construct a commercial nuclear reprocess-ing plant at Wackersdorf in

A further round of talks took place yesterday between the Bonn Government and Daim-ler-Benz, the motor and engiering conglomerate which is seeking to take a 30 per cent stake in Messerschmitt-Boelkow-Blohm (MBB), the coun-

kow-Blohm (MBB), the country's largest aerospace group.

The aim, energetically supported by Mr Strauss, is to build a company which would group West German expertise in the aerospace and defence technology fields, with responsibility in particular for the sibility in particular for the country'e share in the Euro-pean Airbus venture.

The talks yesterday were between Mr Gerhard Lieoer, the Daimler finance director, and Mr Erich Riedl, the state and Mr Erich Riedl, the state secretary in the Economics Ministry responsible for co-or-dinating the aerospace indus-try. Mr Riedl, a confident of Mr Strauss, was brought into the ministry on the express behest of the late Bavarian premier. There is now some uncertainty over the degree of political hacking for him in Bonn.
Talks between the Government and Daimler have spur renewed examination of foreign possibilities for storing and reprocessing burnt nuclear fuel.

become bogged down in wran-gling over the financial and industrial conditions on which the motor group would be pre-pared to take the MBB stake. pared to take the MBB stake.
Participants in the negotiations have been indicating
doubts over the past fortnight
on whether agreement can be
reached by November, which
both the Finance Ministry and
Mr Edzard Reuter, the Daimler chairman, have set as an informal deadline.

Separate uncertainty meanwhile has surfaced over the fate of the nuclear reprocessing plant in eastern Bavarla which was forcibly backed by Mr Strauss as a means of increas-ing West Germany's atomic energy expertise. In an inter-view with the magazine Deutschland shortly before his death, Mr Strauss warned that Bayaria could back down from its commitment to Wackers-dorf if the Bonn Government

showed further hesitation over the general nuclear fuel cycle programme of which Wackers-dorf forms a constituent part. The Soviet Union has shown interest recently in offering West German reprocessing fecilities in connection with possible German-Soviet nuclear deals. Although Bonn has not been inclined to take such Moscow offers seriously, the demise of the chief sup-porter of Wackersdorf could

Lambsdorff makes a grab for his old power base

David Marsh reports on this weekend's contest for leadership of the Free Democratic Party

EST Germany's Lion of Bavaria may be gone – hut the Prussian Count appears to be on his way back.

In a week overshadowed by the death of Mr Franz Josef Strauss, Otto Graf Lambsdorff, the former economics minister who was forced out of office in 1984, appears likely tomorrow the chick the chairmanship of the liberal Free Democratic Party, the jumorral to chich the chairmanship of the lib-eral Free Democratic Party, the junior partner in the Bonn coalition.

Mr Lambsdorff, 61, has been pulling ahead of the other candidate, Ms Irm-gard Adam-Schwaetzer, Minister for European Affairs in the Foreign

Support among the 402 FDP delesupport among the 402 FDP delegates who will be voting at their weekend congress in Wiesbaden is finely balanced and a Lambedorff victory is by no means a foregood conclusion. But assuming "der Graf" (the Count) pulls it off, his political resurrection could make life tougher for Mr Helmut Kohl, the Chancellor.

In an interview to his new Bundes-tag office, Mr Lambsdorff, scowling behind thick glasses in froot of a large portrait of Bismarck, said he was "quite confident" of winning on the grounds of "competence" to carry through FDP policies both within and outside the Government in coming

The election is an innovation in West German politics, where such succession questions are normally decided in conclaves rather than by outright vote. A replacement has to be found for Mr Martin Bangemann, the present FDP chairman and Economics Minister. Disenchanted with life in Bonn and losing his touch with life in Bonn, and losing his touch with



the party faithful, Mr Bangemann will become an EC Commissioner next

Mr Lambsdorff resigned as economics minister four years ago over the celebrated scandal centering on illegal political payments by the Flick industrial groop. In February last year, after an 18-month trial, he was convicted of tax evasion, but cleared of the more serious charge of corruption.

He has always maintained that the high-profile trial was partly motivated by Social Powerstip efforts to action by Social Democratic efforts to settle scores after he steered the FDP in 1932 out of its 13-year coalition with

"There were a lot of people then who were joyfully - and with great - expecting me to sink

without trace. I saw no reason to do them a favour," he says. "They are now drying their tears."

Mr Lambsdorff, supported by a solid phalanx of FDP members from his home state of North-Rhine Westphalia, which makes up a quarter of delegates at the congress, brushes aside signs of greater support among the general public for Ms Adam-Schwaetzer as irrelevant.

The 46-year-old junior minister, who was the party's general secretary between 1982 and 1984, is a protegée of Mr Hans-Dietrich Genscher, the Foreign Minister, and promises to boost the Free Democrats' appeal to younger voters. She has promised to strengthen the party's voice in envi-ronmental and social issues and —

"They agree? Then fax them the contract?

somewhat vaguely — favours a move away from nuclear energy.

Ms Adam-Schwaetzer contrasts her softer style with the more brusque approach of the Count. She has accused her opponent of behaving "like a land-owner" in deciding over the heads of the party who will replace Mr Bangemann as Economics Minister. If he wins, Mr Lambsdorff has put forward for the post Mr Helmut Haussmann, the 45-year-old FDP general secretary, who pledges a new liberal approach in the ministry.

Though relative youth and freedom from courtroom stigma are on Ms Adam-Schwaetzer's side, Mr Lambsdorff's trump cards are his toughness and reputation for free market economics. In the aftermath of the Flick

nomics. In the aftermath of the Flick

affair, he has been given a rather easy ride by the West German media — with the principal exception of the news magazine Der Spiegel.

Reflecting the country's proportional voting system and the lack of clear-cut majorities, the small FDP has been present to coalitions in all but seven years since the Federal Republic was founded to 1949. If he wins tomorrow, Mr Lambedorff says he will not seek a place in the cabinet—a decision perhaps partly motivated by the continuing opproblum of the Flick affair, but also founded on the Count's view that he will be more powerful outside. powerful outside.

The death of Mr Strauss, the leader of the Bavarian Christian Social Union, which is the conservative partner of Mr Kohl's Christian Democrats in the three-party coalition in Bonn, leaves a vacuum in the coalition which Mr Lambsdorff will certainly which Mr Lamostorn Will certainly try to exploit. "The FDP possess the competence in Germany in matters of the market economy," he insists. "This competence must not be lost." Despite periodic unrest in the coali-tion, Mr Lambsdorff says the FDP will

tion, Mr Lambedoff says the FDF with probably renew its partnership with the Christian Democrats after the next general elections in 1990. But he makes clear that Mr Kohl can expect to walk a tightrope over the question of basic FDP loyalty. Because of the Social Democrats' disarray over economic policies, Mr Lambsdorff says no one in the FDP at present seriously argues to favour of switching back to the SPD. But he adds: "The FDP has to make clear that we are not born to be a eternal partner of any other party.

Strong orders boost W German growth hopes

By David Goodhart in Bonn

THE West Germany economy continues to defy expectations of aluggish growth with some economists oow predicting 4
per cent growth in gross
national product for the year
following yesterday's
announcement of strong indus-

trial order figures for August. The Bonn Government began the year with a growth forecast, then regarded as over-optimistic, of 1.5 to 2 per cent which it recently revised up to

The latest order figures, which follow good industrial-production and retail figures for August, show a volume increase of 5.2 per cent on July.

The more significant July/

August order comparison with last year shows a 6.4 per cent volume increase and a huge 8.9 per cent jump in value.

Mr Giles Keating of Credit
Suisse First Boston in London

paring the two month period with last year – have led the order boom, thanks to heavy said that "something approach-

Denmark's

health row

resignation by the three-party minority coalition, which took

office in June, prevented the five other parties from passing a resolution forbidding the government eveo to consider increasing charges for prescrip-tion medicine, or introducing

other user charges in the bealth sector. Both feature in

tha Government's plans to keep budget spending under control next year. It is now clear that Mr Schlüter will have to run the parliamentary gauntlet with his proposals between now and the end of

The evideot parliamentary problems facing Mr Schlüter's coalition, which consists of Conservatives, the Liberal Party and the Radical Party, caused bond and share prices

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to fall yesterday.

By Hilary Barnes in Copenhegen

coalition

survives

ing 4 per cent growth is now possible," a view echoed by several West German economists. Forecasts for 1989, currently clustered around 2 per cent, are also likely to he raised to at least 2.5 per cent. However, the weight of the export contribution to these

figures will restrain celebration in Bonn and underlines just how slow the progress in reducing Germany's current account surplus is likely to be.

The July/August comparison with last year shows a 4.9 per -ceot rise in the volume of domestic orders and a 9.3 per cent rise in foreign orders, or an increase of 7.2 per cent and

12.2 per cent by value.
Investment goods - which increased 8 per cent by volume and 9.9 per cent by value com-paring the two month period

investment spending. **Independents** decline to

Government By Christopher Bobinski

join Polish

in Warsaw AMBITIOUS plans to roll back MR Mieczyslaw Rakowski, Poland's new Prime Minister, is finding it difficult to per-suade independent politicians to join his cabinet, due to be Denmark's welfare state, unveiled by Mr Poul Schlüter, the Prime Minister, in his opening address to the Folket-ing (parliament) on Tuesday, announced next week. received a cold shoulder from the legislature yesterday. Only a threat of immediate

When appointed, Mr Rakowski said he wanted to Rakowski said he waited to form a coalition government hy also going ontside tha established parties. Yesterday he told the Polish press agency: "I am still hopeful this will be possible."

He added: "If the attempt fails then we would have to

fails then we would have to limit ourselves to traditional forces. I will have to tell Parliament that those I offered a place to to the Government refused to take up the responsibility."

It seems that attempts to find Solidarity supporters to join the Government are faltering while supporters of the banned union await talks due to start on October 17 between Solidarity and the Polish

authorities.

Mr Lech Walesa, the Solidarity leader, hopes these will lead to official recognition of his union while the authorities are hoping to persuade the opposition to pledge support for and enter official bodies

such as pariisment. Oo Tuesday Mr Rakowski met Cardinal Josef Glemp, the mer Cardinal Josef Glemp, the Polieb church leader, to explain his policies, seek sup-port for his attempts to form a government and, most impor-tant, try to dispel the hishop's deep mistrast of his intentions towards the church owards the church.

The opposition is resisting participation in the Government before receiving guarantees that Solidarity will be legalised or the political system of t

tem changed. Yesterday Mr Janusz Zablocki, a former Catholic deputy, announced the formation of a Christian Democratic political club. He also opposes icining the Covernment at this joining the Government at this point.

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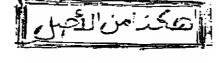
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Taiwan tries to prop up ailing stock market

By Our Foreign Staff

THE Taiwan Finance Ministry yesterday ordered 11 state-owned banks to extend oneyear low-interest loans to investors in an attempt to prop up the flagging stock market. The 11 banks include Bank of Taiwan, First Commercial Bank, Hua Nan Commercial Bank, Chang Hwa Commercial Bank and Co-operative Bank of

Mr Chen Shih-ming, director of the ministry's monetary department, announced investors could use stock as collateral to borrow up to 60 per cent of the average market price of their shares counted over the previous three days. He said loans to investors would carry an interest rate of 0.25 to 0.5 percentage point less than

The ministry gave similar instructions to state-run banks last October when the stock market crashed. But market analysts said the move would have little impect because many investors had now lost confidence in the market. The index has lost 1,400 points in the past week and tnrnover withsrad yesterday as investors

stopped buying.
"The new measure will not work," said Mr Dickson Ho, ger of W.L. Carr (Taiwan), summing up the mood of the market. The weighted index shed 135.37 points to reach 7,445.97. Brokers said small investors remained nervous as a new capital gains tax due to go into effect next year continued to drive larger players out of the market. They predicted that if the market does not begin to rebound after hitting the 7,000-point level, more heavy losses could be expected

The tax measure, appounced ptember 24 after the market closed for a four-day holi-day, triggered the equity mar-ket plunge. On Monday Ma Shirley Kuo, the Finance Minister, amended the tax by lift-ing the annual ceiling on taxfree profits from sales of shares from NT\$3m to NT\$10m (251,000 to £204,000). She also agreed to cut a share transaction tax to 0.15 per cent from 0.3 per cent.

Taiwan's economists have for several years prided them-selves on a relatively-narrow gap of three or four-to-one has in between the top wage earners place.

and the lowest: Ms Kuo apparently fears this gap would widen significantly should massive earnings by the island's punters continue unchecked and that is why she decided to re-introduce the tax. Bnt the ministry, despite claims to the contrary, was clearly intervening to cool off an extremely-overheated mar-ket in which price-earnings rations for soms companies. reached 200-to-1. Ms Kno may have also had as a target the operations of illegal margin lenders and unlicensed traders, many of whom funnel trades through accounts of individuals who are paid to lend their names to the traders to disguise

their dealings.

If the ministry sought a cooling-down of the market, though, it is likely that it has got more than it bargained for. In the seven trading days since the ministry announced the capital-gains tax, the index has fallen by 15.5 per cent to 7,423.68 from a high of 8,789.78 on September 24. That works out to better than a 2 per cent declins daily since the

"The panic is still very serious, and I think the market is still declining – or collapsing," said an exchange official. "The panic is more serious than it was last year - this time it's like an atomic bomb hit, and it has been very difficult to

The extreme lack of sophistication of Taiwan's small inves-tors, who account for an esti-mated 85 per cent of trades, helps explain the panic. Often buying and selling on sheer rumour and impulse, with little idea of a given company's financial and business performance, many of these inves-tors interpret a minor piece of intervention such as the gains tax represents as a sign that the sky is falling.

On Thursday last week, for instance, crowds of investors demonstrated in front of government buildings, and the Chinese language United Evening News reported that as many as 15,000 people plan to come to Taipei from the southern city of Kaobshing to protest against the tax - which Ms Kuo in any event

Iran's leaders fail to find a third way

Scheherazade Daneshkhu on the ideological debate governing relations with the West

Trade with the West (\$bn)

Imports

delimin on the economy, Iran's

religious leaders came to

power rejecting both Western capitalism and the state capi-talism of socialist economies.

However, a third way has not

Draft legislation on distribution, labour and the nationalisation of foreign trade have been rejected by the Council of

Guardians, the 12-man theolog-ical body set up to vet legisla-tion to see that it accords with

Islamic law. The result has

been economic paralysis. The crisis has been exacerbated by

the war with Iraq, low oil prices and financial misman-agement. "We have hope prob-

ns," admitted Mr Mousevi in

T HE decision by Britain and fran to resume full diplomatic relations represents another step forward for those in the franks leaderfor those in the Iranian leadership who support increased
links with the West, particularly during this period of
post-war reconstruction. But
sharp divisions peraist in Tehran over the direction of foreign policy and the economy.
Such differences, long a
source of acrimonious debate
in the Islamic Republic, were
pointedly underlined last
month when Mr Mir Hussein
Monsavi, the Prime Minister
and a prominent radical, made
a vain attempt to retign in a
letter to President Khamenet.
Mr Monsavi apparently cem-

Mr Monsavi apparently com-plained that he and his Government had been marginalised in the conduct of regional foreign policy and in decisions concerning relations with the US. President Khamenel rejected Mr Mousavi's resignation and in turn accused him of failing to embrace wholeheartedly a recent appeal for a degree of economic liberalism made by Ayatollah Khomeini. At one level the arguments focus on how the Koran should be interpreted. The problem is particularly intractable because of the perceived need to develop a unified policy that can be established as Iran's

answer to both East and West. the possibility of eventual ties with the US - the Great Satan The Iranian Government is still keenly aware of its self-im-posed duty to "break the mould" of a bi-polar world and establish itself as a third force in international politics.

This is especially important

as far as the "export of the revolution" goes. This concept, which once sent shudders down the spine of Arab leaders in the Guli, to say nothing of American policy-makers, has now been drastically diluted by the Iranian leadership.

The acting commander in the acting commander in the chief and Speaker of the Iramian Mallis, Rojatolealam Ali Akbar Hashemi Rafsanjani, has now become the voice of pragmatism in Iran. He has advocated participation in every international arena including the Olympics — and said recently that instead of being portrayed as "ignorant, adventurist terrorists" handans should export revolution by presenting to the world the ideas of the Koran.

Mr Rafsanjam's emphasis on developing good relations with former enemies, and his implied acceptance of the way.

implied acceptance of the pres-ent international system, have been strongly opposed by radi-cal members of the Governindeed there is some alarm at the pace with which Mr Raf-sanjani, in a manner reminiscent of the Soviet leader, Mr Mikhail Gorbachev, has man-aged to push through his polia. Not only have full relations been resumed or mooted with Britain, France, Canada and Kuwait in recent weeks, but rumours persist regarding

In an attempt to break the legislative dearlock earlier this year, Ayatollah Khomeini set up a 13-man body called the Council for Maintaining the Interests of the System. This While Mr Rafsanjani has been happy to stick out his neck on foreign affairs, he has been less furthcoming in the too has failed to provide a solution, and last month the establishment of yet another assembly was decreed specifically to decide on economic priorities. now that the reconstruction period has begun. Entitled the Council for Discerning What is Best, it comprises the heads of the three branches of govern-ment as well as the Prime Min-

The new council has so far been entrusted with overseeing the transfer of state punishments for profiteers and hourd-next tack to the judiciary. The move, decreed by Ayatollah Khomeini last month, has brought a sigh of relief from the business community, which feels it has had to take all the blame for the economic supposes.

in the meantime the private sector has been pressing for an increased role in the economy. Even Aystollah Khomeini relented somewhat last month when he declared that "the Government should allow people to import from abroad and engage in trade". Although Ayatollah Kho-meint's rulings are not usually

open to interpretation, the hardline Mr Mousavi sparred in public over the significance of the Imain's words with Pres-ticent Khamenel, who has long been regarded as a proponent of a stronger private sector. "During the meeting which the mann held with the cald-net," said the President, "he

explicitly said that the people must be able to engage in imports. Some people are opposed to these things, not because of their laboric views

but rather on account of inlegi-nary and wrong viewpoints."

The ideological debate has been, by most standards, a public one in Iran in recent months. Nambata months. Nowhere was this more evident than in the

more evident than in the extraordinary speech that Mr Rafsaniam made in September in Qom to the famous Fayatyeli seminary, a centre of radical Islamic thought which numbers Ayatoliah Khomeini and Ayatoliah Montaseri, the heir designate, among its former number.

pupils.

In his speech Mr Raisaniand, apparently feeding secure enough to raise unwelcome subjects with his audience, urged a perestroika-like nethinking of basic issues to address the country's outstanding problems. He even touched on the fundamental lenet of the blamic Republic, the selangula fugit, or rule of the jurisconsult, which enables Ayatollah Khomeini to issue guidelines in the absence of the last Shifte insam.

"We still have a lot of unan-

"We still have a lot of un swered questions with regard to society," said Mr Rafsenjani. "We still have not been able to clarify for people sconomic tenedits as belts leism — we benefits as belits laism—we have differences of opinion among ourselves over these issues. We have not come forward with clear principles in foreign policy—we have to ascertain the sovereign right of the selepting for the period of others, the people's right to participate. We have not yet tackled the day to day aspects of Islamic rule."

Botha may press banks to restart loans to SA

for

By Anthony Robinson in Johannesburg

PRESIDENT P. W. Botha is expected to argue the rightical case for resuming loans to South Africa when he meets Swiss and other European bunkers and businessmen in Zurich next week after attending the funeral today of kir Franz Josef Strauss, the Bavar-tan leader. ian leader. Mr Botha – whose failure to

announce expected aparthein reforms in a major speech in reforms in a major speech in Durien in August 1985 was fol-lowed by a cut-off in foreign hans and imposition of a par-tial debt moratorium on the country's taking external debt in September 1985 – is not expected to conduct detailed debt take.

But Mr Barend du Pleseis, the Fineire Muletet, and Mr

the Finance Minister, and Mr Chris Stals, director ge the Treasury, who is South Africa's main debt negotiator, have both remained in Europe to continue contacts with for to continue contacts with for-eign bankers following the recent meeting in Berlin of the international. Munetary Fund. The two men are still in Europe having met bankers in London, Paria and Brussels. It was unclear last night whether they would also take part in the talks.

the talks.

In August, Pretoria introduced a restrictive package of higher interest rates and line parchage restrictions aimed at embing an import surge which threatened the country's shility to honour its foreign debt repayment schedule.

Europeant, especially Swiss bankers with whom South Africa conducts the bulk of its gold-related business, have proved more understanding of

proved more understanding of South Africa's predicament that US banks which remain ander strong pressure to cut off all links with South Africa

India angry incursion

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Manney of the Country of the State

CROSS-BORDER tension increased yesteriay after India:
accused Pakistant of sending
aritied infilirators line the dispined state of Kashmir and an
official spokesman of India's
Ministry of External Affairs
said the government had conveyedits, concern and indiguaveyedits "concern and indigate tion" at the highest level.

Claiming that 100 fully-trained and armed men had crossed the bonder into Kashmir in the last few days, the spokesman said: "This appears to be part of an overall plan to destabilise this country."

The alleged infiltration into Kashmir was in addition to repeated Indian accusations that armed men had been that armed men had been entering the troubled state of Punjab over the last two years.

tion in the state.

Mr Gandhi is reported to have told Dr Abdullah to take

the assessment following a 45-minute meeting.

Filipino buil American panels began talks last April on the Status of Clark Air Base, Subic Bay naval base and four smaller installations. But the talks have stalled over compensation and other issues.

Mr Raul Manglapus, the Philippine Foreign Secretary, and Mr Gaston Sigur, the Assistant Secretary of State, met en Wednesday in New York to discuss the issue.

"I guess they seem to feel that differences are instruving." Mr Armacost stil. "Progress is being made, and the hope was there for an early agreement."

In a statement, Mrs Aquino

Mr Armacost and Mrs Aquino also said they discussed briefly last month's office by Mr Mikhail Gorbschev, the Soviet leader, to close a Krendin navel base in Victoria if the US willdrew its 40,000 troops, Defence Department of villans and dependents from the Philippines.

Executions suggest tough Saudi policy towards Iran

By Finn Barre in Riyadh

THE EXECUTION last Friday of four Saudi Shia Moslems condemned for sabotaging a petrochemical plant underscores the tough Saudi attitude towards Iran following Iranian riots in Mecca last year. Anyouncing the executions this week the Saudi Ministry of

Interior said the four "traitors" were executed because they had carried out acts of sabotage for Iran.

The four were convicted of using smuggled explosives to blow up ethylene storage tanks

at the Saudi Petrochemical Company (Sadaf) in Jubell in the country's Eastern province. The explosion occurred before this year's Hajj.
The Saudis had previously

avoided mentioning Iran by name when dealing with bilat-eral problems, but diplomats say the Saudis have adopted a tougher approach since the Mecca riots, after which propaganda against the Islamic Republic became more strident. They say the message is that a workable relationship with Iran can only proceed with the strict observance of non-interference in Saudi inter-The Saudis are particularly

sensitive to any Iranian attempts to infinence the king-dom's 250,000-strong Siria minority in the oil rich eastern

Meanwhile, the Sandiz are facing another problem on the border with South Yemen. There have been at least two armed clashes between border troops recently, the second of

which happened last month.

The Sandis and Yemenis are trying to downplay the fieldent, which is believed to have occurred after the Sandis moved a Yemeni burder marker. The borders between the two states are still not defined by treatly. Nor are the borders between the kingdom and North Yemen. and North Yemen. de leave sp

The Saudis' concern about the two Yemens stems from the fact that they have a combined population of between 11m and 14m, compared with Saudi Arabia's population of slightly more than 6m.

Additional brillants are that South Yemen is a Marxist state—anotherna to the highly religious Saudis—and the fact that Saudi Arabia wrested the Astr region from Yemen in the 1998. Yements have still not reconciled themselves to the loss.

US near

agreement

on bases'

PHILIPPINE and US officials

over border Philippines,

said yesterday that the two countries had narrowed differ-ences over US military bases, here and are nearing agree-ment on their status through 1991, AP reports from Manile. Mrs Corison Againo, the Philippines President, and Mr Michael Armacost, the US Undersecretary of State, pave the assessment following a 45-

Dr Farooq Abdullah, chief, minister of Kashmir, yesterday flew to New Delhi for talks with mr Rajiy Gandhi, India's Prime Minister, on the situation in the state.

"firm steps" to deal with the situation but there was no clarification on what this might mean. Several Indian army divisions are permanently stationed in Kashmir,

Since their independence in 1947, the two countries have gone to war three times over Kashmir. There were no indi-cations that the Indian army has been put on elect. The External Affairs Minis The External Affairs Ministry spokesman said yesterday that the Pakistani infiltrators, some of whom had been approbabled and questioned, were armed, supported and trained by Pakistani agencies."

India, he said, had taken up the question of infiltration across the border on several occasions and this time the Government's concern had-

Government's concern had-been conveyed "at the highest" level."

Geagea calls for UN role in poli

MR Samir Geages, Lebanon's Christian militia commander, yesterday called for UN peace-keepers to be sent to Beirut's Christian and Moslem sectors to oversee presidential elections, AP reports from Beirut. Mr Geages said that he was prepared to withdraw his Lebanese Forces militia from Christian seat Beirut to help the peacethrepers deployment. Mr Geages said that the withdrawal of his militia from east Beirut should be part of a comprehensive plan that would include the withdrawal of Syriam troops and allied leftist and Moslem militiamen from the city's western sector.

Asked whether the proposed UN force should remain in Beiret and Beirut should remain in Beiret after the proposed.

UN force should remain in Beirut after Parliament elects a
new president, Mr Geages said:
"It is for the new president and
the new Cabinet he forms to

Japan plans policy role in countries it gives aid to

By lan Rodger in Tokyo

THE Japanese Government should play a more positive role in the formulation of eco-nomic policies in the countries to which it gives significant aid, according to the Ministry of Foreign Affairs' annual

report.

The report noted that Japan has become the world's sechas become the world's sec-ond-largest supplier of total sid and is the largest supplier to some 25 countries, mainly in the Asian region. In Burma, the Philippines and Nepal, Jap-anese official development assistance accounts for between 10 and 20 per cent of government budgets.

Japan should provide policy

advice on ways to promote development and macro-economic policies in developing countries and guide them in such a way that development projects are carried out smoothly," the report says.

"The attitude of giving aid money only and keeping hands off economic policy management may be taken as an evasion of responsibility," it adds.

dom Party, the main opposition party. It would also call an emer

it would also call an emergency meeting of the country's aid donors to ask for an infusion of help to prevent the crippled economy from collapsing, would slash the defence budget, cut personal and corporate taxation and further liberate foreign investment; and foreign grobuses coursely.

Mr Bandaranaike, who is in

exchange controls.

In the fiscal year to March 31 1988, Japan provided \$7.450m in official aid, up 18.1 per cent from the previous year and representing 0.31 per cent of GNP. The country is set to surpass the US as a contributor of aid within the next two years. Last June, the Government announced a new growth target for its aid spending, siming at \$500m in the five-year period

at \$50m in the five-year period starting this year.

Other industrialised countries, especially the US, have been putting pressure on Japan – the world's second largest economy – for some time to increase its foreign aid. Also, as Japan is reinctant to increase its inflitary spending, the US tends to view the country's aid spending as part of its contribution to Western security.

The total flow of funds from Japan to developing countries last year – including all public and private sector flows – was \$20.46bn, 24 per cent of the world total and the largest

gross domestic product growth averaged only 2.9 per cent a

Many Malaysian groups, including the Bar Council, linked the action against the judges to the bitter power struggle within the United Malays National Organisation; Omno, the roling party until it was declared unlawful by courts last February because of illegal branches. Tan Sri Abu Talib, the Attor-

ney General, said the dismise-als were ordered by Sultan

yesimilay announced that two on the recommendation of a of the flux Supreme Court tribunal which investigated

July on charges of misconduct, have been dismissed. The other three were found not guilty, and are to be reinstated imme-Datak George Seah guilty of misbehaviour in staying away from a scheduled supreme court sitting in Kota Baru. court sitting in Kota Bara.
Wan Suleiman was also found,
guilty of convening an emergency sitting of the court in
Knala Lumpur on July 2.
At that time, Tun Salleh
Abes, the Lord President and
the country's top Judge, was
being investigated on charges
of misconduct by another telbunal. Tun Salleh hoycotted its

The report on Tun Salish was eventually presented to the King, who dismissed Tun Salish in August.

The second criminal found

Malaysian Government fires top judges

The second tribunal round that the emergency Supreme Supreme with out the permission of Tar St. Hamid Omar, the acting Lord President, was fillegal and without jurisdiction. Neves-

convene the Supreme Court

Dr Minhathir Mohamad, the Prime Minhater, believes that some judges are anti-governwhich issued an interim injunction against the iribunal The Kusia Lumpur High

proceedings, and challenged its die Europeas Abdordunder and legality. Fide that the York Sal- Want Hamself, Mohatmaid had led tribunal night subsett he participated in the sitting. It report to the king before the was set liquid ill reasonable court had ruled on its legality doubt that their action constituted was Suleiman to third misbehavious.

Other Kusia Lumpur High Court yesterday granted intents corpes to a timverted Chestern Malay prescher from detention under the Enternal Security Act. Jamalushim Othman, who was actused of creating radial tension by presching Christianity to the Malays, was among 120 people arrested under the act last October. About 38 are still being-held.

Australia's Labor Party faces fresh poll test

By Chris Sherwell in Sydney

But it is widely assumed that this margin will be narrowed, partly because Labor has squabbled publicly over its candidate but also because the

ate in the black economy and will be a prime target.

Sri Lanka's economy has been increasingly badly hit by the years of ethnic violence between the minority Tamis in the north and east and the majority Sinhalese population. President Junius Jayawardene and Mr Raity Gandhi, Prime Minister of India, signed a peace accord last year and as part of that deal the eastern and northern provinces have been merged into one region with a majority Tamil population. But the Tamil Tigers, fighting for an antonomous

think they are dragging their feet a great deal," he said.

His solution is to expel the Indian Army and bring the Tigers into the mainstream by responding to their grievances. "We have to give them a lot more devolution," he says but does not spell out what this would mean in practice.

He has been involved in would mean in practice.

He has been involved in negotiations with the Sinhala terrerists of the Marxist People's Liberation Party (JVP) in the south and claims to have brought them into the democratic opposition for electoral purposes. However the violence in the south has not stopped and some extremists are apparently determined to keep up the terror campaign until the Government changes. It is not clear, however, that the JVP would be any happier with a new government if, as Mr Bandaranalke suggests, it offers more devolution to the

AUSTRALIA'S Labor Party faces a fresh electoral test tomorrow, having had confirmation yesterday that it won a historic third term in the Cliffhanger state election in Victoria last Saturday.

The new battle is in Oxloy, the federal seat near Brisbane held for 27 years by Mr Bill Hayden. Mr Hayden's appoint-ment as Australia's next Governor-General, announced in August, led to his resignation from the seat, the party and the cabinet, where he was For-

ences were taken into account, and close to 60 per cent of the primary you. The majority reflected his personal popularity and the deep split between the Liberal and National parties in Queenaland.

eign Minister.
In the 1987 general election
Mr Hayden won almost 65 percent of the yote after preferences were taken into account,

opposition is no longer surfacing the divisive influence of SirJoh Bielite Petersen, the furiner
Queensland memier.

Mr Bob Hawise, the Prime
Minister, who has varied the
constituency twice in less than
a fortnight, has acknowledged
the likelihood of a swing
against the Government party,
and inevitably most attention
will focus on its size. But the
result would be nothing short
of a sensation if Labor were to

of a sensation if Labor were to The outcome in Victoria was ment of a Speaker.

finally decided yesterday, five days after vote-counting began, when Mr Jelf Kennett, the Libertal leader in the state, said he was "convinced in my own heart of hearts" that his rivel, Labor leader Mr John Cain, had won.

The precise margin of Labor victory in the state remains unclear, but Mr Cain stid he thought it would be four seats, down from six in the 88-seat lower house, and

hope was there for an early agreement."

In a statement, Mrs Agrino said she reteived a call from Mr Mangiapus early yesterday and said "he sounded very optimistic and confident. Things point to a very successful romeinston, according to Secretary Mangiapus."

The US maintains the beness under a 1947 agreement that expires in 1961. The talks are to determine compensation and other issues favough the final two years.

After that, any extension must be approved by two-thirds of the 25-mainter Philippines Senate, where opposition to the bases is strong.

The US gives the Philippines

The US gives the Philippines about \$150m in aid amountly for use of the bases. Filining negotiators rejected a US offer, which sources said included 550m a year in economic and

Mrs Adulno backtracked from her earlier statement in which she said the proposal should be discussed by the US and the Soviet Union alone.

"For my part, I said that on the matter of the US bases, that is for the Philippines and the US to talk about. This is in fact what the review talks are for," she said.

Sri Lankan opposition party would expel Indian army By Robin Pauley, Asia Editor SRI LANKA'S peace accord with India aimed at trying to settle the island's long-running Fund to support the economic programme. A key priority will be to try to enhance Sri Lanka's counethnic conflict would be annulled and the 65,000 Indian

ment to end violence in the south of the island and about 80 per cent of our defence costs

Before the ethnic troubles Sri Lanka could borrow at 0.25 per cent over London interbank offered rate (Libor); today the offered rate (Liber); today the country's paper is traded in the secondary market at 4 or 5 per cent. "We have to correct that," said Mr Bandaransike.

At the same time the steady decline in foreign reserves would need to be halted. Foreign aid has prevented acute foreign exchange shortages in recent years and the international aid consortium will be asked for extra short-term help after the election. after the election.

Efforts will be made to revive the tourist industry, a key foreign exchange earner severely hit by the violence, although this would depend on the property of the control of the control

fighting for an antonomous

"We will most certainly keep and expand the open economy. London this week, is the son of againg for an antonomous state, have bettled on inistinded by 65,000 indian soldiers trying to bring them to beel.

The Tigges are fighting the fourth-largest army in the world and they are doing well. Mrs Sirimavo Bandaranaike, who was Prime Minister from 1960 to 1965 and from 1970-77. imports, we will not touch the free-trade zone and we will cut go on security measures in the offers more devolution to the Mrs Bandaranaike is standing sustained peace for which taxes. There will be a budget south," he said. Tamil extremists then that pro-The plans will require not only more aid for the rebuild-ing of the war-torn areas but as the opposition candidate in soon after the election in there appears no early prosposed by the present govern-ment. In that sense Mr Bandarwhich defence costs will be cut severely. We will be able to do the presidential election and if Attempts to bring them within the political process have failed. I do not think India she wins is expected to choose Another priority would be to try to reduce the black econ-omy by using tax incentives to also a stand-by facility from the International Monetary analke and his mother will face between her son and Mr Ron-nie de Mel, the former Finance this because we are confident the same problems as Mr Jaya we can reach a peaceful agree-

Minister, for the post of For-eign Minister. She is also expected to change the consti-tution to switch Srl Lanka from a presidential system to a parliamentary system led by a Prime Minister. encourage enterprises to return to legitimate operations.
The precious and semi-precious stone industries, the third-largest source of foreign exchange, are particularly liable to operate in the black economy and will be a prime target try-risk status in the interna-tional financial markets. peace-keeping troops required to leave immediately if the opposition won presidential elections in December, accord-ing to Mr Anura Bandaranaike, leader of the Sri Lankan Free-Mr Bandaranaike is at pains Mr Bandaranaike is at pains to try to convince the interna-tional community that the eco-nomic policies which produced economic stagnation under his mother's last government would not be brought back. That government restricted private enterprise, nationalised large sectors of the economy and presided over a dramatic rise in bureaucracy and cor-ruption. Throughout the period gross domestic product growth

Bandaranaike: aid call

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S Koreans hope to benefit from Gulf ceasefire

By Maggle Ford in Seoul

SUCCESSFUL BIDDING on Iraqis were being repaid in construction projects in Iraq worth almost \$2bn (£1.2bn) may depend on government export credits, according to a South Korean company hoping to benefit from the ceasefire inthe war with Iran.

Hyundai Engineering and Construction, which has continued work on projects throughout the war, is involved in bidding on four projects — a \$1hn oil refinery, a \$400m thermal power plant, a \$250m supergrid project, and a steel pipe plant contract worth

The company estimates that Iraq may spend around \$40bm over the next five years on new

projects. Hyundai faces stiff competition from Japanese companies such as Mitsubishi and Hitachi which are able to offer financing to the fragi government, strapped for funds after the

war. The government is considering providing financing for companies trying to do busi-ness in both Iraq and Iran through the Korea Export

Import Bank.
Hyundai officials said, however, that debts owed by the

promissory notes and in crude oil, although rescheduling was being negotiated on some of

the backlog.

The company believes it has good prospects for winning orders in fraq because it had stood by its commitments during the war years when others pulled out.

Died out.

Describing the country's plans as "very ambitions", a senior official said fraq planned an industrialisation drive to give it the strongest base in the Arab world.

This would involve downstream activities such as oil refining and petrochemicals, along with expanded power supplies, more steel mills and export-oriented industries such

as car manufacture.

Restructuring plans would centre on the southern area of Basra and the Fao Peninsula. which suffered serious damage and would focus on honsing, hospitals, roads and utility supplies to improve people's welfare.

Hyundai hopes to win orders in the reconstruction of devi-

in the reconstruction of damaged oil and port facilities on the Guif, an area in which it has substantial experience.

Siemens in Asea link to gain N-contracts

By David March in Bonn ASEA Brown Boverl, the Swedish-Swiss engineering concern, and Siemens, the West German electricals group,

have agreed to pool activities in advanced nuclear reactor technology as a means of win-ning orders on foreign mar-

The agreement, announced yesterday, concerns the West. German subsidiary of ABB and Kraftwerk Union, the power station division of Siemens. The two groups are expected to set up early next year an equally-owned company bringing together their expertise in the high temperature reactor (HTR) field, where West Germany has high hopes of land-

many has high hopes of landing orders in countries such as the Soviet Union and China.

The deal, which has yet to be approved by the West German Cartel Office, would cut down on duplication between two on adplication between two groups which until now have been putting forward rival plans for HTR projects in West Germany and abroad.

Kraftwerk Union and Brown Boveri have already signed separate agreements with the Soviet Union and China to study joint development of HTRs, which can also be used for district heating purposes.

William Dullforce reports an unresolved conflict over intellectual property rights

RADE ministers learnt

at their informal meeting in Islamabad last weekend that, if they are to keep the Uruguay Round of trade-liberalising talks on course, they have not one but two minefields to negotiate when they conduct their mid-term review in Montreal in

They knew in advance about the unresolved conflict over agricultural reform, which pits the US against the European Community. Now they will be aware of a potentially equally dangerous confrontation over intellectual property rights. This issue revives the old divi-sion between the industrial nations and the developing

countries. It must be said at once that not all the vibrations reaching the negotiating centre in Geneva from Islamabad are negative. Mr Michael Samuels, deputy US Trade Representative, summed up the ministerial model. rial mood: "Everybody acted as though he wanted a successful mid-term review."

Ministers were convinced that they would be able to seal two years of talks with some concrete results at Montreal. Among these would be the opening of industrialised countries' markets to Third World tropical products next year.
In addition, the General
Agreement on Tariffs and
Trade (Gatt) may well conduct

its first review of a country's trade policies in 1989. The US has volunteered to be the first to submit to Gatt scrutiny,

according to Mr Samuels. From next year, too, the Gatt mechanism for settling disputes can be speeded up and its capacity for mediating squabbles extended.

The US has made the

The US has made the running on both agricultural reform and intellectual property by tabling in the Geneva talks proposals for radical changes and by insisting that the fate of the Uruguay Round depends on its receiving satisfaction.

It was therefore no surprise that Mr Clayton Yeutter, the US Trade Representative, played the lead role in Islama-

Even EC officials concede. that he made an astute move on agriculture by offering to discuss short-term reform measures, while keeping in place the US demand for a commitment to long-term reform by other countries, including those of the EC, at Montreal.

Under its latest formulation the US wants countries to agree that the Urugusy Round must end with a commitment in place to abolish all trade-distorting agricultural support

So far the EC has refused to contemplate the abandonment of its export subsidies. It has sought a pragmatic approach,



Islamabad sets minefield for Gatt unwary

Yeutter: lead role

arguing that it made no sense to discuss long-term action without first considering short-term measures to halt and reverse governments' enormous budget support for farm-

EC officials claim that Mr Yeutter's offer to discuss such short-term measures as a freeze ou subsidies and a perfreeze ou subsidies and a per-centage cut in aggregate levels of support is more "presenta-tional" than real.

It nevertheless puts the onus on Brussels to come up before the Montreal meeting with its

proposal for long-term action, for which the US and the Cairns group of 13 "non-aligned" farming nations have

A long-term paper is being prepared by the EC Commis-sion. It will certainly fall far this issue Mr Yeutter is being short of US demands; it will not volunteer to abolish Com-munity export subsidies; and it still has to be accepted by the

12 governments. Mr Yeutter may have stepped up the pressure but, despite his repeated assurances that US policy on farm trade reform has bipartisan political support, he has not apparently persuaded all European capi-tals that his hardline policy will remain unchanged if Mr Michael Dukakis, the Demo-cratic candidate, wins the pres-

ratic candidate, wins the presidential election.

Yet all is not despair in the agricultural talks. Many negotiators are convinced that the use are going beyond the mandate on intellectual property given by trade ministers, when the uruguay Round was launched in 1996.

The situation has been exactly added in the World Intellectual Property Organisation and claim that the US and its allies are going beyond the mandate on intellectual property given by trade ministers, when the uruguay Round was launched in the World Intellectual Property Organisation and claim that the US and its allies are going beyond the mandate in the World Intellectual Property Organisation and claim that the US and its allies are going beyond the mandate on intellectual Property Organisation and claim that the US and its allies are going beyond the mandate on intellectual Property Organisation and claim that the US and its allies are going beyond the mandate on intellectual Property Organisation and claim that the US and its allies are going beyond the mandate on intellectual property given by trade ministers, when the Uruguay Round was launched in 1996. long-term reform and the more optimistic even hope for some agreement on short-term

agreement on short-term action.

More desperate, it is generally agreed, is the situation in the talks on intellectual property. The US is demanding that ministers agree at Montreal to negotiate in the Uruguay Round a comprehensive Gatt agreement, incorporating a set of minimum standards and

enforcement procedures for all forms of intellectual property. US business claims to have

been calling in increasingly lost \$24bn in 1986 from plracy vociferous terms. of patents, illegal copying of microchip designs and softpushed by a powerful domestic lobby and has the support of the EC. Japan and other indus-

trial nations. His negotiators in Geneva have run into a stone wall among developing countries, notably Brazil and India. These countries fear that granting multinationals "monopoly" rights over such a wide range of intellectual property will undermine their own develop-

ment capacities. They want these matters handled in the World Intellec-

erbated by US plans to take retaliatory action against imports from Brazil in the row pharmaceutical patents.

After Islamabad, where Mr Yeutter evoked no change in the developing countries' post-tion, some US negotiators believe the solution lies in per-

minimum standards and to reword the mandate.

Given the sensitivity of the rms of intellectual property. would seem to be a vain hope.

suading ministers at Montreal

Israel in \$200m fighter deal with Colombia

By Andrew Whitley in Jerusalem

exports to Israel.

The Kfir sale will give its to purchase 2m tounce of Colloss-making manufacturer, ombian steam coal over a four-Israel Aircraft Industries, a year period.

Much-needed boost. Although: IAI closed its Kfir production. prospects have improved since line several years ago, after the cancellation last year of supplying the kraeli Air Force the Lavi advanced combat air—with about 150 of the Mirage-craft, cash flow at the state—III-based aircraft. Defence

ISRAEL has concluded a \$200m Colombia will receive an (£125m) deal for the sale of 13 eight-year credit at 9 per cent upgraded Kfir fighter-bombers interest for part of the purto Colombia. Part of the financ- chase. A two-end-a-half-year

ing will come from the pro-ceeds of Colombian coal. The key to the deal was the exports to Israel. agreement last April by Israel

owned group is still tight. ... experts estimate the company After negotiations stretching has been carrying an unsold

over three years, contracts inventory of 100 aircraft, were signed yesterday at IAI's Mothballed while awaiting headquarters.
Approval from the US to be delivered to Colombia Administration was required contains updated contains updated from the Efficient derived from the Lavi prowhich are powered by Pratt and Whitney engines, Once that, was obtained, a higger wide in Shipt percelling for Colombia's Mirage 5 squad-rons, extending their range.

W Australia to go ahead with A\$1bn chemical plant

By Chris Sherwell in Sydney THE state Government of Western Australia confirmed yesterday it was going ahead with a controversial A\$10m year if a further decision is

the entrepreneur.

Mr Peter Dowding, the state during construction and 125 premier, said the Government permanent jobs subsequently would be investing A\$175m for a 43.75 per cent stake in the on the horizon in Australia project, while the Bond organithat will have as much benefication would inject equity of claimpact on the current A\$225m. The remainder will be account figures as this one, would be a non-recourse for Mr Dowding claimed western

by 1991, is expected to earn ment's participation by point-some A\$250m a year from ing to the direct role in similar exports of ethylene dichloride plants taken by governments and vinyl chloride monomer to in Thailand, Saudi Arabia, Mitsubishi Corporation of Singapore, Taiwan and several Japan, and to save another European states.

A\$50m annually through the The plant is based on the use replacement of caustic soda of natural gas from the giant imports needed for the local Nerth-West Shelf project off alumina industry.

(2467m) petrochemical plant, to taken to manufacture polyvi-be built near Perth in a joint nyl chloride, the world's best-venture with Mr Alan Bond, known plastic. It would also

funded by a non-recourse fin- Mr Dowding claimed yesterancing facility.

The plant, to be completed He defended the Govern-

Daishowa plans | Soviet order Australia mill DAISHOWA PAPER is to

spend A2450m (£210.2m) on building a paperboard and pulp plant in Australia, Tony Jack

plant in Australia, Tony Jackson reports from Tokyo.

The plant, at Grafton, New South Wales, will use local encalyptus to produce 150,000 tonnes of paperboard a year for the Australian market, and a further 150,000 tonnes of pulp for export to China. Construction is due to start next wear. tion is due to start next year,

engineering concern, has received an order worth some SFr100m (£37m) from the Soviet Union for the installation of 16 pasta manufacturing plants, John Wicks reports.

guined a leading edge over Rai-ian competitors in the Soviet with the plant coming on market because of its high-ten-stream in 1992.

to Japan hit new peak

in September, surpassing the previous record 11.976 set in March 1968, Japan Automobile Importers Association statistics show, Reuter reports from

with 9,059 in August when they rose 32.2 per cent from a year

Sales of foreign cars to 420. 9,490, while sales of those with per cent to 634.

goes to Swiss BUEHLER Brothers, the Swiss

The company is to complete the factories at different sites next year and in 1990.

Buefuler claims to have

Sales of cars imported

SALES of imported cars in larger engines rose 55.6 per Japan rose 51.1 per cent from a cent to 5.758.

Year earlier to a record 15.284 West German cars, accounting for 703 jer cent of all sales, previous record 11.976 set in 10.000 for the first time. US-made cars, accounting for 12.6 per cent of the September

Tokyo. total, rose 431.5 per cent from a September sales compared year earlier to 1,924. Total sales by Ford rose to 796 from 72 a year earlier, and those of GM rose 64.1 per cent

equipped with engines of Sales of British cars rose 53.3 2,000cc or smaller rose 48.5 per per cent from a year earlier to 906 and of Swedish cars 40.3



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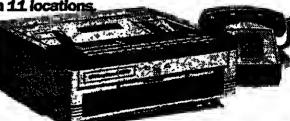
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THINK OF US FIRST IN FAX

Democrats

investment'

THE Democrats are trying to make foreign investment an issue in the US presidential race, a senior US Treasury official claimed yesterday, AP-DJ reports from Washington.

Mr David Mulford, US Assistant Treasury Secretary, conceded that "not many people like the image of assets up for sale at fire-sale prices". But he said such concerns had been stirred up by "highly superficial" comments by Democratic politicians and others.

Mr Mulford, speaking at a

Mr Mulford, speaking at a conference on foreign invest-ment, defended the Reagan Administration's record on attracting overseas investors. He claimed that Senator Lloyd

Bentsen, the Democratic vice-presidential nominee, "sub-stantially overstated" the amount of control foreign

investors had over US manufacturing industries, during his televised debate on Wednesday with Senator Dan Quayle of Indiana, the Repub-

Mr Multard said there was a time when foreigners "did question the wisdom of invest-ing in the US" during the Administration of President Jimmy Carter in the 1970s, but

that was no longer the case. He argued that the Reagan Administration's domestic and

international economic poli-cies and the decline in the US dollar, which has been "sub-stantial" since early 1985, had encouraged foreign investment

Foreign investors, said Mr Mulford, "aren't driven by political considerations" but by economic considerations

such as the return on their investments and the "safety" of such investments in the US and other countries.

and other countries.

Referring to the policies favoured by President Ronald Reagan and Vice-President George Bush, the Republican presidential candidate, Mr. Mulford said the US was trying to guarantee open markets for trade and investments at home and more liberal markets shroad.

Capital markets must be

Capital markets must be alloyed to respond to market forces. "Why should we move away from policies that has served this country so long?"

flows to the US.

'stressing

foreign

Pentagon proposes \$69bn scaled-down SDI system

THE Pentagon yesterday unveiled proposals for a slimmed-down version of the "Star Wars" defence system against nuclear attack which would cost \$69hn (£41hn), a sharp drop from original esti-

mates of \$115bn.

The plan for a limited, firstphase defence system to shoot
down nuclear warheads indicates that budget constraints
have forced the Reagan Administration to scale back, at least
in the short term, its original concept of a comprehensive defence against Soviet attack. The Pentagon announcemen followed a rigorous internal review of President Ronald

Defence Initiative (SDI).
It appeared aimed at building a consensus in Congress for a limited version of SDI before Mr Reagan leaves office

eagan's five-year-old Strategic

Both presidential nominees, Vice-President George Bush

and Massachusetts Governor Michael Dukakis, have voiced concern over the cost of SDL The Pentagon did not set a timetable for initial deployment of SDI, but officials said a

decision could be made in the early to mid-1990s "contingent on adequate funding levels". on adequate funding levels".

Last month, the senior Pentagon official in charge of the SDI programme, Lieutenant General James Abrahamson, said he was resigning at the end of January to clear the way for a new leader to be chosen by the next administration.

Gen Abrahamson favoured a far more ambitious programme consisting of hundreds of space-based satellites carrying high-speed rockets to shoot down Soviet missiles shortly

However, Senator Sam Nunn of Georgia, the powerful Demo-cratic chairman of the Senate Armed Services committee, this year proposed a limited anti-ballistic missile system called ALPS (accidental launch protection system), which could be available in five years at a cost of \$10bn-20bn.

Dr Loren Thompson, deputy director of National Security director of National Security Studies at Georgebown Univer-sity in Washington, said the latest Penfagon proposals looked like an attempt to estab-lish a consensus with conser-vative Democrats such as Mr Nunn who hack SDI in princi-ple but want a system which is cost-effective and technically sound.

The Defence Acquisition Board review of SDI is believed to be one of the first thorough internal examinations of the programme's costs. It was ordered by the Defence Secre-tary, Mr Frank Carlucci, who has a more sceptical view of its technical and financial feasibil-ity than his predecessor, Mr Caspar Weinberger.

New guerrilla offensive puts El Salvador back in limelight

By Tim Coone in Managua

A NEW military offensive in El Salvador organised by the left-wing Faribundo Marti Front for National Liberation (FMLN), has thrown govern-ment forces on the defensive, and once again drawn atten-tion to the seeming intractabil-ity of the 10-year civil war.

Over the past week simulta-neous attacks by FMLN units have been launched against army garrisons in towns and villages throughout the coun-

Although not threatening to overthrow the Christian Demo-crat Government of President Napoleon Duarte, the offensive has none the less demonstrated the inability of the Govern-ment to stamp out the guerrilla forces since the FMLN launched its first all-out offensive in 1980, despite a huge commitment of US economic and military aid to this tiny country of 4m people and an almost six-fold expansion of

The FMLN guerrillas are thought to be outnumbered militarily by a ratio approaching 10 to one, the figure generally considered by military experts to be necessary to win a counter-insurgency war, but the FMLN has shown a remarkable ability to adapt its tactics to compensate for its technological and numerical

The counter-insurgency strategy of the army has how-ever prevented the FMLN from breaking out of its traditional strongholds in Chaletenango and Morazon provinces, regalt-ing in a political and military stalemate which neither side has been able to break.

The present FMIN offensive appears aimed at retaking the political initiative, to force the Covernment back to the negotiating table before a new US president takes office and before the El Salvador presi-dential elections take place in March next year.

Leaders of the FDR, a politi-cal wing of the FMLN, announced last August that they intended to contest the The Christian Democrat-con-

trolled Government is in crisis, thanks to its inability to end the war and to the failing health of President Duarte. who is dying of cancer. A defeat at the polls for the Christian Democrats would signify a greater polarisation of the country, and probably a bloody intensification of the

The right-wing Arena party already controls the Congress, and its leaders have promised a major offensive against the FMLN, the FDE and their sup-porters as a means of breaking the military deadlock, if it wins the presidency. Human rights considerations would most likely take a back seat — a prospect which has raised con-cern in the US Congress over a possible victory of Arens

Quayle prays for inspiration

Stewart Fleming reports on the vice-presidential candidates' debate

VICE-President George Bush's choice of Senatur Dan Quayle as his run-ning-mate came back to haunt him on Wednesday night when the 41-year-old Indianan could not find an answer to the ques-tion troubling many American voters: "What would this man do if Mr Bush died in office and he found himself sitting in the ident's chair in the Oval presider Office?"

"Pray" was Senator Quayle's first response and he did not do much better on the two other occasions the question was thrown at him in the 90-minute debate. Even the word pray had unfortunate connotations: Senator Lloyd Bentsen, the 67-year-old Texan Demo-cratic vice-presidential candidate, has been telling audiences across the country that they should pray that the inexperienced Mr Quayle does not find himself behind the president

Each time the question "Are you qualified to be President?

you qualified to be President?

was put, Mr Quayle reached
into his memory. Out popped
the answer he had learnt in
rehearsal about age not being the only criterion and how he was more qualified than the Democratic presidential nomi-nee, Governor Michael Dukakis. At the end, even one of the reporters questioning him could be seen shaking his head in frustration that Mr Quayle

could not enswer the question.
The answer eventually had to be provided by Mr James Baker, the former White House chief of staff and US Treasury Secretary who is now Mr Bush's campaign manager. He howed how experience counts showed now experience counts when, moments after the debate had ended, he appeared on television explaining away Mr Quayle's miscue by implying that the question had not been clearly framed and that the senator could have



nswered it easily if it had world, it seems, cannot cover up ignorance. It is a lesson which Mr Baker has learnt which Mr Baker has learnifrom papering over the cracks in the performances of Prendent Ronald Resgan — a much more polished actor than Sanator Quayle.

The presidential question was not Senator Quayle, only bad moment. When he insouchantly (and incorrectly) remarked that he had as much experience as former Demo-

remarked that he had as much experience as former Demo-cratic President John F. Ken-nedy when the Massachusetts senator sought the presidency in 1960, Senator Bentsen skew-ered him: "Senator, I served with Jack Kennedy. I knew Jack Kennedy. Jack Kennedy was a friend of mine," said the patrictan Texan, natronising patrician Texan, patronising the young man across the plat-form. Senator, you is no lack

Kennedy."
"That was uncalled for Senator," the shaken Indianan orted. "You are the one who made the comparison," responded the Texan, standing ground and confirming to the 70m plus audience that he would not shrink from telling a President Michael Dukakis strictly where and why he dis agreed with him. Senator Bentsen missed

Quayle's claim that the Reagan Administration's foreign policy had promoted human rights in South Africa is a disturtion which will be noted by report-ers and the Dukakis campaign atters

And Mr Quayle will have scored some noints by rebuk-ing Dukakis supporters in the audience for laughing when he said that America should be proud of the Hondas it exports to Japan. "My country right or wrong" is a stick the Republicans have used affectively to

cans have used affectively to-beat their opponents for the past eight years.

"They laugh at that because they don't believe that the United States of America is the envy of the world. Well I can tell you the American people think the United States is the envy of the world," was hir Guayle's sharp, and for once Quayle's sharp, and for once

spontaneous, reply.
Wednesday hight will go down as another debating victory for the Pulsakis/Bentsen team, a much more comprehensive one than Mr Dukakis scored over Mr Bush two weeks ago because Senator Bentsen came across not only

ears — hence Mr Baker's speedy appearance on the tele-vision last night. detect any major blunders by Mr Quayle, so the initial judg-ment must be that the vice-presidential candidate took no hits below the water line. Mr Baker, moreover, shrewdly scheduled the deliate to coin-cide with the first play-off matches in the baseball se The Bush campaign must know for sure now that, except among the party faithful and the right wing, Mr Quayle will certainly not have looked like an asset to the Republican

but avuncular and warm.
Many of these Americans
who are aheady telling pollstars by a margin of times to
one that Mr Quayle is not qualified to be president will have
had their denuts reinforced.

The Bush campaign, with
two candidates with a shaky
grass on substanting issues.

grasp on substantive issues, has had plenty of experience making silk purses from sows





GOVERNMENT AND CONGRESS ALREADY DISAGREEING

Brazilian constitution marks opening of election campaign

BRAZIL'S new constitution. came into force on Wednesday, with an emotional ceremony in Brasilia that in effect marked the opening of the presidential

in a rousing speech, the con-stituent assembly's president, Mr Ulysses Guimaräes, all but es, all but declared his candidacy. He is Brazil's second most powerful

Mr Guimaraes, 72, condemned poverty, corruption, and the authoritarian heritage of 21 years of military rule. He has made a constitution his election banner, saying "Who hetrays the constitution betrays the nation". The first free presidential election in 29 years will be held

next year.

The Government and Congress are already fighting over the constitution. Tension is likely to continue as the strengthened legislature erts its role in formulating

policy.

Mr Mailson da Nobrega, the Finance Minister, said: "The constitution will not make my job any easier. It will be more difficult to implement certain

policies, but we must learn to work with Congress." Under the constitution, real

interest rates are capped at 12 per cent a year. Mr da Nobrega says more legislation is needed ore the cap can be enforced, but Congress insists it can be implemented immediately.

The conflict has stalled the economy, since banks have virtually stopped lending or tak-ing deposits.

The Finance Ministry is also

The Finance Ministry is also concerned that the interest ceiling may affect onlending of money which banks lent Brazil under the September foreign debt rescheduling agreement.

The 1989 budget, which Congress can now prepare, has also become a focus of tension.

Congress wants easier terms.

Congress wants easier terms under which local govern-ments may pay their foreign debta.

debta.

The Government says that would strain public sector borrowing and feed inflation. Mr da Nobrega must control inflation, which is likely to reach 800 per cent this year. He said this would be more difficult because a hostile Congress must sanction hig policy

The disputes may have to be settled by the judiciary, which has traditionally avoided ruling on political matters. Clashes are inevitable over the 500 or more items of enabling legislation, which will come up for debate in the coming 12

Mr Roberto Cardoso Alves, the Trade and Industry Minister, said he would press for legislation which dampen the con-stitution's nationalistic tone. Political leaders say only permanent grass-roots pressure will prevent the constitution from becoming a dead letter. Brazil's seven previous constitutions came to be routinely ignored.

The contradictory new constitution contains important civil and labour rights, while entrenching the power of the military and landowners. Mr Roualdo Cajado, who leads a conservative landowners' association, agreed with Mr Jair Meneghelli, a militant labour leader, who said: "We must remain mobilised to defend the achievement of the constitution."

Bush backs US energy industry

By Our Foreign Staff

THE US should decrease its reliance on everyy imports from the Middle East and sup-port the dampstic oil and gas industry..... Vice-President George Bush said

The US is unlikely to change its energy policy before the presidential election, but there ica's energy sector.

to limit the damage to America's energy sector.

Speaking in Okiahoma, an oil-producing state, Mr Bush said he sympathised with the region, which has been hit by lower oil and gas prices.

"The American energy industry is too important to our national security to have its economic underpinnings totally degendent in the political climate of the Middle Rast, he boid a political rally. He called for the elimination of restrictions on fluctuations in natural gas prices, incentives to graduce methanol, a by product of wood that when used in easy produces less pollution than petrol, and tax incentives, printarily aimed at small, independent drillers, to reduce the cost of oil and gas exploration and production.

But a change in policy this year remains unlikely. Mr. Bush's comments were discounted by many analysts as electionessing.

clectioneuring.
There have been a number of initiatives for measures to support the ailing US oil industry since the oil price declined in 1986, but most have foundered.

Anything which pushes oil

prices up, aiding the oil produ-cing South-West, is unpalat-able to the oil-consuming

North-East.

But there is growing impetus for some kind of support for the US energy industry, given the damage caused to regional economies and the poor outlook for oil prices.

Canadian polls leave reform in limbo

By David Owen in Toronto

THE Canadian general election call has left a number of bills, including the last stage of the Government's comprehensive financial services reform, in

Draft legislation which would have permitted banks, insurance companies and trust msurance companies to enter one another's territory has now been dissolved along with parliament. The bill would also have given trust companies

and insurers free rein to make consumer and commercial

loans.

The reform plans were in any case becoming bogged down with industry objections to planned restrictions on links between commercial and financial accommendate. Otto cial services companies. Ott-awa had planned to prevent commercial and industrial groups from holding more than 65 per cent of a financial insti-tution with more than C\$50m

(£25m) in capital.

None the less, the additional wait to see what shape reform will eventually take will be frustrating for the industry.

Among other proposed legis-lation left hanging by the elec-tion call were bills to imple-ment the US-Canada free trade agreement, to regulate con-flict of interest, to create more day-care spaces and to define pornography.

Chilean battle has only just begun

Barbara Durr on the parties in opposition to General Pinochet

Ghilean opposition campaign against General Augusto Pinochet were savouring their victory yesterday. But the campaderie of the campaign may

The different political tendencies haddling under a single universa against Gen Pinochet are expected to come into play soon. The 16-party coalities, known as the "Command for the No", ranges from centrist Christian Democrats to a number of socialist parties considerably further to socialist parties consideranty further to the left. It also includes the new Humanist Party, which identifies itself as "non-ideo-logical, but left".

Until the plebiscite, a single-minded drive to defeat the General hlurred differ-ences, but ideas vary within the coalition

on how the transition to democracy should be carried out, and who is to lead it. While the Christian Democrats are, for example, willing to leave the economy working more or less as is, socialists such as Mr Ricardo Lagos believe that, without a radical modification of the economic

structure, the transition to democracy will

be incomplete and reflect only the social differences generated by the dictatership. Mr Lagos's views are in he taken seriously. As head of the Party for Democracy, which is not in reality a party but a conglomeration of smaller left parties and glomeration of smaller left parties and groups united for the plebiscite campaign, he emerges with enormous prestige. He and Mr Patricio Aylwin, the moderate president of the Christian Democrats, are likely to be duelling in the coming days. Both were acting a little like candidates themselves in the last days before the plebiscite.

pleblacite.

If the opposition is to consolidate its victory successfully, it will have to agree on a candidate for president in the conting elections. Personal political ambitions, long pent up after 15 years of military dictatorship, is expected to begin to drive wedges into the coalition.

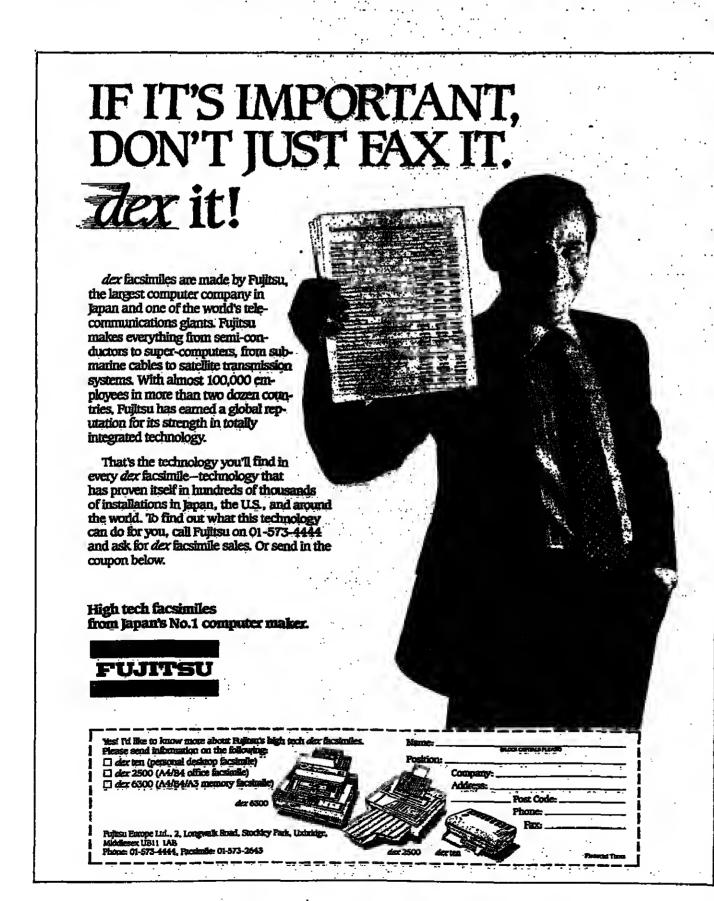
The opposition has, however, agreed on a number of points for quickening the transition to full democracy. These must be negotiated with the armed forces. First, they want to hold free presidential elections sooner than the December 1986 dead-

line given in the 1980 constitution. They also want to reduce the presidential term from eight to four years.

It is expected that the opposition will press for Gen Pinochet's resignation as soon as possible. He can remain in office until a new democratically elected president takes office in March 1991.

Similarly, they want an accelerated elec-tion for a Congress which would have been scheduled for March 1999. But in contrast to the current rules of the game, they believe the Congress should have constituent powers for changing the con-stitution. They also want to reduce the number of appointed positions in the Sen-ate and have both houses fully elected by the people.

With respect to possible future presecu-tions of miliary officers for human rights offences, Mr Aslwin, as spokesman for the coalition, has limited himself to saying evithent fusice these cannot be peace. This could be a negetiable item with the amed forces to obtain a more rapid return to democracy.



Astra satellite to Tory call offer up to 14 **English channels**

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The state of the s

A consortium comprising W.H. Smith, the UK-based newsagent group, British Tele-com and Maxwell Entertainment are close to agreement with Société Européenne des Satellite, (SES) the private company launching Astra, to lease satellite capacity for six programme channels.

Astra is a 16-channel televi-

sion satellite powerful enough to broadcast to dish aerials 60cms in diameter across most of the UK. Mr Rupert Murdoch, chief executive of News Corporation; has already said that he will launch four channels of advertising financed television on Astra in February.

Mr Murdoch is now likely to be followed on to Astra by the W.H. Swith Maryand. By care

W.H. Smith, Marwell, BT con-sortium. Attogether M. will account for two film channels Premiere and Home Video

ASTRA, the Luxembourg Channel MTV, the pop direct broadcast satellite, is likely to carry between 10 and Channel Lifestyle and Screen 14 English language channels sport, all already being transafter its launch in mid-Decemmitted by low power satellite mitted by low power satellite to cable television networks.

A further four channels. three of them American, are also considered likely to sign up with Astra eventually. They are the Disney Channel, The Discovery Channel, featuring nature, science and history programmes and Mr. Ted Tuner's Cable News Network. The UK contender is Super Channel, which is the object of bids from Mr Maxwell and United Cable of the US

Talks are also proceeding with companies seeking to lease a few hours of satellite time a day for specialist programme services. These include the European Business Channel, the Arts Channel and Landscape Channel which combines music and landscape

A 10-year deal involving 16 channels would be worth about 2200m for SES:

Lloyds to offer dual credit card network

LLOYDS BANK, the smallest Barclays and the JCCC for the of the Rritain's big four com-mercial banks, is to establish own network of retail outlets for credit cards, offering retailers for the first time simultaneous membership of the near future.
the Visa and the Access/ Although Lloyds has stolen a the Visa and the Access

This is the latest move in an intensifying war between the main banks for the credit card market. It began in September last year when Lloyds, an Access card issuer, applied for membership of Visa Interna-

At present there are only two credit card retail networks in the UK. Barclays Bank operates a network for Visa while the Joint Credit Card Company

network. However, Barclays has applied to MasterCard International and is likely to be offering its retailers dual

lead on its rival, Barclays enjoys. several advantages, including a large salesforce with 22 years experience of handling retail negotiations and 7,000 "point of sale" electronic terminals compared with about 50 for Lloyds.

Visa/MasterCard facilities in

generally delighted with Lloyds decision Mr Bob Woodward, chairman of the Retail Consortium, set up by the chain stores to handle negotiahandles negotiations for the access banks, the UK affiliate banks, said the announcement of MasterCard International; was a hig step in liberalising of Lloyds will compete against the credit card market.

for positive attitude to Europe

By Tim Dickson in Brussels

A RINGING call for Britain to play a more positive role in the European Community, coupled with a warning that loss of national sovereignty is both inevitable and desireable in the rin up to 1992, are among the major themes of a controversial new analysis to be pres-ented to delegates at next week's Conservative Party con-ference in Brighton.

Although written before Mrs Thatcher's widely publicised speech in Bruges last month, the comments of the Bow Group paper's author, Conser-vative MEP Mr James Elles, will be seen as further underfining the party differences on

attitudes to Europe.

Mr Elles is one of the more thoughtful and least theatrical thoughtful and least theatrical of the 45-strong group of Toxy MEPs at Strasbourg. The sharp differences between some of his ebulliantly Federalist colleagues and a rival band of ardent Thatcherites has been exposed by public squabbling in recent days, but Mr Elles more "middle of the road" views are almost certainly shared by a majority of his

party colleagues

While describing himself as
"a supporter of the Prime Minister," the tone of much of his paper will not necessarily win

approval at Downing Street. Taking as his text the proposition that Europe must grow closer to survive competition from the US and Japan in the 21st century, Mr Elles dis-misses as an "illusion" the idea that " a united Europe could be achieved without any less of achieved without any loss of control by EC member states over their internal affairs." But in a section on British ambiguities he adds: "This shift of power from national to European authorities should be seen not so much as a loss but more of a net gain of sovereign

Mr Elles further emphasises Retail organisations were that "the internal market will not become a reality without acceptance that there are wide ranging implications (eg in the monetary field) above and beyond the simple removal of trade barriers. If these are brushed aside, we will land up with a pale shadow of what has been proposed."

THE LABOUR PARTY AT BLACKPOOL

Kinnock rebuffed in key vote on defence

By Michael Cassell, Political Correspondent

MR NEIL KINNOCK, the Labour leader, was yesterday given a clear warning by his party that he risks igniting a damaging, internal fight over defence if any attempt is made to shift its position on unilat-

eral nuclear disarmament. In a decision which force fully underlined the scale of the task facing the Labour leader in trying to formulate a defence policy acceptable to supporters and credible to voters, delegates to the Blackpool conference yesterday defeated by 3.2m votes to 2.9m a leadership-backed motion calling on-Labour to pursue its non-nu-clear objectives via unilateral, hilateral or multilateral action.

Mr Kinnock at once pledged himself to pursuing the party's attempts to reshape its defence strategy. He said: "It is our duty to secure a policy for defence and nuclear disarmament that can secure the support of our country."

"Today's votes were not conclusive," he added. "The policy

review goes on." After an impassioned, some-times angry debate, the conference also supported by a majority of 1.2m a motion calling on the party's national executive to campaign for the unilateral removal of all nuclear weapons and nuclear bases from Britain.

A majority of nearly 500,000

Can we tell the Soviets that Labour will work for a nonnuclear world? KAUFMAN



also backed a motion demanding that money saved by cancelling Trident missiles should be injected into health and other public services.

The votes cast a shadow over Mr Kinnock's progress this week in steering his party towards adopting a new set of policies designed to secure vic-

tory at the next election.

The defeat at the hands of For the first time in party members, who suspect that the leadership intends, over the next year, to drop its unilateralist stance, was sealed before the debate with several of the largest unions lining up behind the TGWU general workers' union and Mr Ron

Todd, its general secretary.

Mr. Todd warned the party
that it was in danger of backing away from Labour's longstanding defence strategy. He said: "If we bend, the pressure will become overwhelming, if we give an inch, it will lead to a mile, another mile and then another mile."

Labour leaders moved to play down the impact of the decision immediately after the result was announced. They claimed that the vote had not put a straitjacket around the party's defence working party. which is due to unveil an updated defence stance to next year's annual conference.

Party leaders were taking some comfort in the size of the support for a motion which went beyond Labour's existing unilateral stance. It was also clear that any attempt to depart from a unilateralist position will face defeat unless much of the party, particularly: the trade unions, are per-suaded to adopt a more flexible

history I can see a chance of ending war forever

- HEALEY



Mr Ken Livingstone, a leftwing member of the party's ruling national executive com-mittee, said that if the leadership attempted to ignore the clear message from delegates it would provoke civil war within

decision was pushed aside, he added, both sides of the argument would mobilise.

Mr Gerald Kaufman, the joint convenor of the defence working party, stressed that work on defence policy would not begin until early next year and said that the "extremely important" views of the confer-ence would be taken into account during the review. He added: "It would be an outrage if the policy review group ignored today's decisions." Mr Kaufman plans to go to Moscow later this year with Mr Martin O'Neill, the party's defence spokesman, to talk

about a possible bilateral nuclear arms deal with the During the debate, Mr Kaufman said that one approach for a Labour government was to "simply and speedily" divest itself of nuclear weapons "off our own bat." Such a move, however, would end Britain's role in world nuclear disarma-

ment, where it could have a constructive part to play. Mr Denis Healey, the former Labour defence secretary, said that with Washington and Moscow "moving past detente to entente," Labour could help the arms reduction process along while Mrs Thatcher would do everything in her power to sabotage the process. Politics Today, Page 19

Party's Euro-vision looks beyond Little England

LABOUR'S acceptance of what was once regarded as the deathly embrace of Europe was completed yesterday with the overwhelming adoption by the annual conference of a resolution formally recognising Britain's political and economic integration in the European Community, Charles

The conversion, a full 15 years after Britain's accession, has been less than Pauline. But coming on top of Mr Neil Kinnock's glorious vision of a European "social space" in his leader's speech on Tuesday and the enthusiastic welcome accorded to Mr Jacques Delors, the European Commission president, by the Trades Union Congress last month, it marks the final death knell of the Labour movement's characteristic anti-Common Market

Labour's "little Englander" corpse still twitched periodically yesterday, but most in the party accept that the debate on Europe has now moved on.

In line with the challenge outlined by Mr Kinnock of securing social justice and eco-nomic efficiency at home, Labour now recognises that its task is to ensure that the so-called social dimension in the forthcoming single Eurotral thrust of the party's

approach to Europe.

That social dimension is anathema to Mrs Margaret Thatcher, Labour argues, The Prime Minister's celebrated Bruges speech only served to underline her vision of Europe as a market free for all and will lead to the export to Europe of the economic inequalities, which Labour believes, starkly

In sharp contrast Labour's "social Europe" as defined by Mr Kinnock, means ensuring the highest standards of working conditions and workers' rights. It means raising British pensions and benefits to European standards, tough antitrust legislation to protect con-sumers and substantial increases in social and regional spending to counteract the EC's "inevitable pull of wealth, production and jobs towards

It involves "root-and-branch reform" of the Common Agri-cultural Policy and EC action to protect the environment.

Hand in hand with social progress in Europe, Labour must ensure that British industry can face up to the chill winds of European competition once the final barriers to trade come down in 1992. This, Labour argues, Mrs Thatcher

Mr Tony Blair, the party's industry spokesman, insists that Labour must formulate an industrial policy, aimed at improving competitiveness, enforcing anti-trust legislation and fostering technological and scientific advance. Without such a policy, the single mar-ket spells disaster for Britain, he says.

The resolution endorsing Mr Kinnock's new vision was moved by Mr Bill Jordan, pres-ident of the AEU engineering union, who said that it symbolised Labour's positive approach to Europe. Mrs Thatcher, post-Bruges, now clearly stood for insularity.

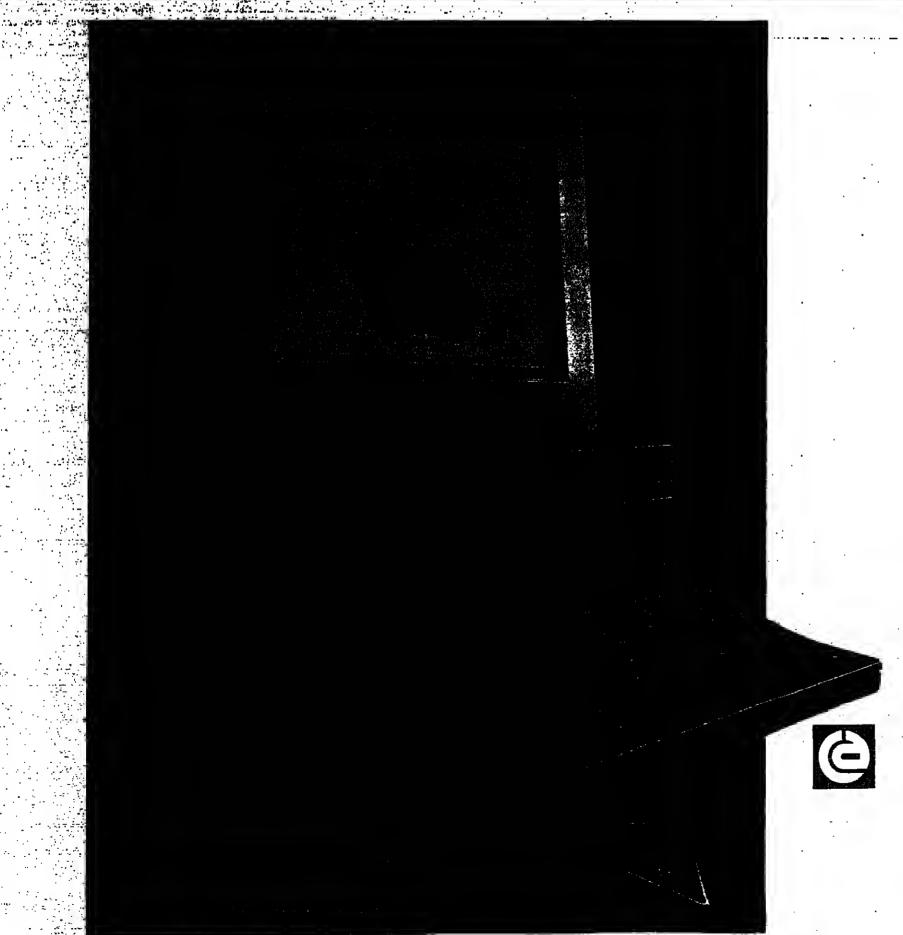
Mr Jordan's exhortations were countered unsuccessfully by an alternative resolution calling on Labour to stand by the commitment given in the 1974 referendum that the Goverrment would always have a veto on key EC legislation,

now under threat from the Single European Act provision for

majority voting.
It insisted that all legislation originating from Brussels should be ratified by the Brit-ish Parliament and Government. This resointion was remitted to the foreign policy review group, which will present its final proposals to next year's conference.

Labour shares Mrs Thatcher's dislike of the Brussels bureaucracy and is committed to ensuring that maximum control over national and European decision-making rests with parliament.

But while Labour's new direction was endorsed by conference, there are some in the party, particularly on the left, who feel that the scale of the task facing Labour in achieving it is sorely underestimated by those charged with drawing



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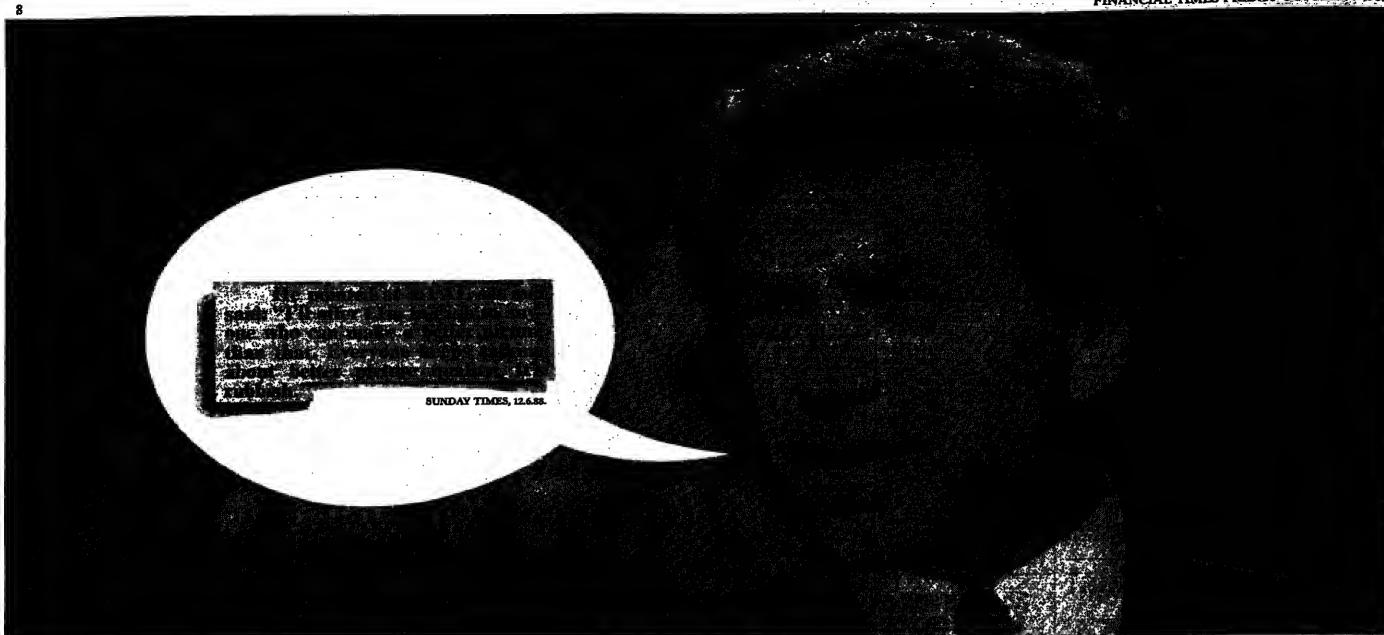
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Dear Alan, Looks like your PAL just cost you a million

s you may know, PAL is the existing television transmission system in Britain.

As you may deduce from Mr Sugar's pronouncement, PAL has been adopted by Rupert

broadcasts scheduled to start early next year.

When it was invented in the sixties, PAL unquestionably offered the best picture quality of any

Murdoch's Sky Television for its direct satellite

questionably offered the best picture quality of any television system in the world.

But twenty years is an awfully long time in this field. A fact brought home to us the first time we saw

field. A fact brought home to us the first time we saw the D-MAC system which, incidentally, was developed here in Britain.

In a side-by-side comparison, the superiority of the picture quality of D-MAC is demonstrable.

That's not just our view, but that of the Indepen-

That's not just our view, but that of the Independent Broadcasting Anthority and 95% of the people who, at our invitation, recently sat through the first live D-MAC satellite transmission.

Historic moment though it was, this first live



transmission was watched on perfectly ordinary television sets fitted, as many of the sets now on sale are, with a Enroconnector.

(Indeed, a television set not fitted with a Euroconnector, but connected to the set-top box required to receive all satellite transmissions, can receive D-MAC transmissions. But, sadly, the picture will only be to the existing PAL standard.)

D-MAC doesn't just offer the possibility of superior picture quality from next September, either. From day one, it also offers digital stereo sound, parental control and over-the-air messaging. And, in the not too distant future, wide-screen, cinema-quality pictures.

We rest onr case and trust Mr Sugar will put his money where his month is.

To be specific, we'd like Mr Sugar to send the aforementioned £1m cash to the charity of his choice. And advise us of same.

Interested? Call us free on 0800 900 900.

1988

487,426

246,934

158,524

104,774

67.227

Property group may back Hotol launcher project

THE Carroll Group, a privately owned property and investment company, is discussing the possibility of taking a share in the funding of Rotol, a potentially revolutionary space launcher being developed by British Aerospace and

The group has talked to Mr Alan Bend, the inventor of Hotol about taking part in the project. The Government has refused to back the scheme, which has been under development by BAe and Rolls-Royce since the early 1980s, and has called on private enterprise for

BAe said that it not spoken formally with the Carroll Group but that it hoped to arrange a meeting soon. The aerospace group said that it was willing to talk to any organisation which was inter-ested in possible funding for

However, even the property group's involvement would still leave Hotol's future in

The Carroll Group said that . Ing payloads into orbit. it was not prepared to discuss. The vehicle could be flying how much money it might be by the early years of next cen-

Lloyd's insists

syndicates use

data network

LLOYD'S of London, the

insurance market, is to compel

all its 380 insurance syndicates to join a Lloyd's computerised

data network in an attempt to

speed up its transformation into an electronic marketplace.

launched in spring 1987, allows

syndicates and insurance bro-

kers to communicate with each

other and with the market's

central facilities via an elec-

tronic data interchange system

At present, however, only about 60 per cent of syndicates

are connected, although IBM

charges them only £1,850 to

Membership of the network.

By Nick Bunker

operated by IBM.

personal computer.

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40

gramme, which would cost an estimated 250n to develop to the point of a working profe-

London, is involved in a range of large property developments in Britain. The 70-year-old com-pany does not release annual income figures, but says that it is involved in development and investment programmes val-ued in total at more than

The group has also been chosen by the Defence Ministry to undertake a £60m property development on 50 acres helonging to the Government-run Royal Aircraft Establishment at Farnborough in Hamp-

Engineers involved with the Hotol (which is short for Horiproject say it has a good chance of producing a revolu-tionary space vehicle which would take off from an ordinary runway. This would greatly reduce the costs of lift-

prepared to invest in the pro- tury and would be powered by a novel air-breathing engineem-der development by Rolls-Royce. This would replace the conventional motors used in rockets which rely for fuel on liquid-oxygen

carried in tanks. So far the Government and the two agrospace companies have invested about £3m hetween them in the Hotel programme. It is envisaged that the scheme needs at least another £15m over the next few years to continue development

Hotol is among a number of advanced concepts for space vehicles which have emerged as contenders for the space travel of the next century Other schemes are under dis-cussion, and in some cases already have funding, in the US, Japan, France and West

One possibility for the Hotol development is for financial backing to be shared by the 13 countries of the European Space Agency, of which Britain is a member. Observers believe, however, that ESA is unlikely to back Hotel without strong support from the UK Government.

Accountants make move towards coherent rules

By Richard Waters

profession has begun a long haul towards establishing a coherent set of rules for company accounts, and in the pro-cess tentatively reopened the issue of how accounts reflect the effects of inflation. The push, if successful,

could in theory lead to a new set of accounting standards. The 21 statements of standard accounting practice (SSAPs) in the UK have been attacked as having been adopted piecemeal to meet temporary accounting difficulties, rather than in accordance with an overall scheme of how companies should report their figures.

join and the only equipment However, Mr Michael Renrequired is an IBM-compatible shall, chairman of the Accounting Standards Committee, said The move, announced by Mr yesterday that the initiative was unlikely to lead to the the Alan Lord, chief executive of Lloyd's, is a radical departure wholesale acrapping of existing

THE UK accountancy logic, it is impractical. We have to start from where we are, and go on to develop better standards," he said.

The impetus behind the move is a report on the broad guidelines that should underlie accounting standards, which has been financed by the Institute of Chartered Accountants

in England and Wales. The report is being written by Professor David Solomons, a British accountant who was the principal author of a similar work produced for the US Financial Accounting Stan-

in a draft of his report, pres ented to the ICAEW at the end of last week, Professor Solo-mons said: "Accounting standards, where they exist at all, have everywhere developed in a rather haphazard manner. Firefighting is the description usually applied to the process."

Coal users fend off 'greenhouse' accusations

By Maurice Samuelson

THE INTERNATIONAL coal industry hit back yesterday at charges that coal-fired power stations are a prime cause of the climatic changes associated with over-heating of the atmo-

The London-based World Coal Institute, representing a wide range of national and private coal utilities and traders, said research by its members showed that the contribution of coal-fired power stations to the phenomenon known as the greenhouse effect had been greatly exaggerated."

Its comments reflect fears among coal producers that pro-ponents of nuclear power, who are on the defensive on safety grounds, want to turn the tables against coal on a wide range of environmental

Mr Richard Tallboys, a former British diplomat recently appointed as the World Coal Institute's chief executive, toki its annual general meeting in London that in combating pollution more attention should be paid to chemicals used in ols, and the contribution made by motor engines to acid

Earlier this week, a report from the Royal Institute of International Affairs urged industrialised countries to reduce their coal consumption and to switch to other forms of electricity production, including natural gas

Mr Tallboys yesterday retorted that coal's image as a fuel identifiable with dirt and grime was completely out of date, as was shown by the improvement in the atmo-sphere of London in the past 30

Modern coal-fired stations emitted very low levels of pollutants, were safe and economical to operate "and when it comes to decommissioning they can be demolished without hazards or converted to valuable community uses." Dr Ten Wolde, of Shell Coal

International, told the meeting that coal-fired power stations would become even cheaper and cleaner to run as a result of technological developments in which the coal would be turned into gas before being Vehicle registrations 11.58 per cent ahead over nine months

1988

52,182

23,300

18,404

11,318

Car sales near fourth record year

100.00

27,29 16.50

12.19

9.63 5.35

5.82 5.29 2.25 2.61

By Kevin Done, Motor Industry Correspondent

Total marks

UK produced Imports

Rover Group Vauxhall/Opel

Audi/Ve/Sest

xoesis gt/Alfa/Lancia

scheme. The company said yes-terday it had still not managed

THE BOOM in UK new car sales continued in September with registrations rising to the highest total for the month in spite of the jump in interest rates and the withdrawal by several manufacturers of cheap

Sales in September rose by 7.73 per cent to 191,121 units from 177,412 units a year ago, confounding forecasts that sales would weaken, at least temporarily, in the wake of record demand in August when new registrations totalled 477,305 units, a jump of 17.2 per

For the first nine months of the year new car sales, at 1.83m units, are 11.58 per cent ahead of the corresponding period of 1987 and are on track to reach a record for the fourth year in succession at around 2.2m units, according to figures released yesterday by the Society of Motor Manufacturers

The main loser last month was Ford, the dominant UK market leader, whose share for the month dropped by five percentage points to 27.29 per cent from 32.57 per cent a year ear-lier, reflecting a drop of 9.7 per cent in sales volume.

Ford led the market last month by withdrawing its

cheap finance sales promotion Surprisingly the Ford Fiesta was the best-selling UK car in September, in spite of the fact to replenish its stocks after the that it is due to be replaced early next year.

UK CAR REGISTRATIONS

45.82 54.18

32.57

177,412

81,293 96,119

57.783

16,459

14,693

12,696 9,300

7,921 5,185 5,796

two-week strike in February in the face of the record overall Rover Group, now a fully-owned subsidiary of British Aerospace, appears finally to have arrested the long decline Ford, which has led the UK market since 1977 and has the in its market share. For the three best-selling UK models

- the Escort, Sierra and
Fiesta - has suffered a fall of first nine months its share has increased marginally to 15.33 per cent from 15.19 per cent a two percentage points in mar-ket share in the first nine year ago. The company enjoyed a very strong September, capturing 16.5 per cent of the market compared with months of the year to 26.68 per cent from 28.78 per cent a year 13.01 per cent a year ago.

cars was reduced slightly in September to 53.88 per cent from 54.18 per cent in September last year, but for the first nine months the share taken by UK-built cars is still dramatically lower at only 43.7 per cent compared with 48.4 per cent in the first three quarters

100.00 1,637,131

471.195

248,722 218,044

119,083

89,496 96,692 66,353 61,066 56,528

28.78

7.27 5.47

26,68

15.33 13.52

8.68

5.73 4.00 3.68

Source: Society of Motor Manufacturers and Traders

of 1987. Against the trend of the first nine months Nissan sales were very weak in September, while both Volkswagen/Audi of West Germany and Renault of

Public backs overseas aid without strings

By Peter Montagnon, World Trade Editor

MOST BRITISH voters support the idea of taxpayers' money being spent on development aid, but are lukewarm about aid money being used to promote exports or strengthen political ties with developing countries, a recent survey

The Marplan poll commis-sioned last month by a leading charity offers a rare insight into public attitudes towards aid spending. It suggests in particular that the so-called industrial lobby, which would like to link aid more closely with Britain's export effort, has largely failed to get its

Altogether 71 per cent of respondents felt that Britain ought to help poorer countries, but only 21 per cent thought the most important reason for doing so was to create trade

message across.

THE Overseas Development Administration plans to channel additional funds through private-sector charity organisations to help more official aid funds reach the poorest in

developing countries, Our World Trade Editor writes.

Mr Christopher Patten, Aid Minister, announded tha plan at a symposium organised by ActionAid. It reflects a growing tendency of official aid bodies, including the World Bank, to seek greater collaboration with non-government aid organisations (NGOs).

organisations (NGOs).

Mr Patten said ODA was increasingly looking to collaborate with NGOs to develop much larger projects than those which have traditionally been funded jointly.

He said: "If this trend continues, voluntary agencies could."

ecome a much more significant partner of British official aid — as they are in some other donor countries already."

opportunities. An even smaller number - only 8 per cent - thought that the purpose of aid spending should be to make poorer countries more

friendly towards Britain. The charity which commissioned the poll declined to be identified because it conducted

the research for internal pur-

poses. The results confirm, however, the long-held view of many private aid organisations that the public sees aid primarily as a moral obligation.

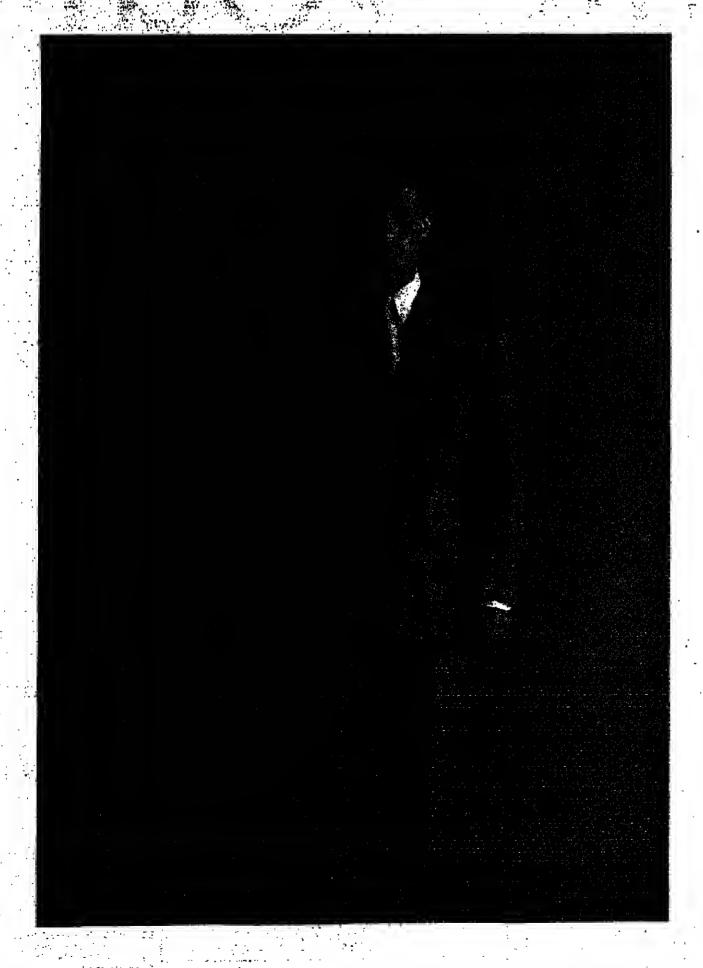
Sixty per cent of respondents thought the main reason for aid spending was because it was "morally right to help countries which are poor."

Fifty four per cent thought that it was reasonable for the UK to demand reforms from recipients before giving aid, but the reforms regarded as most important were those designed to help the poor. These attracted significantly

greater support than reforms to enhance democracy, improve human rights or make the recipient economy more

competitive.
Only 35 per cent of respondents thought that the most important form of aid was emergency relief. By contrast 54 per cent thought that its most important aspect was long-term assistance for agriculture, schools, water and

The poll showed a marked lack of interest in infrastructure projects which are often supported by industry.



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n and around the pleasant US west coast city of Seattle lies one of the world's greatest concentrations of manufacturing power held by a single company. This is where Boeing employs \$3,000 people in scores of production plants and office blocks.

More than half the 10,000 large commercial jet air liners ever built were engineered and assembled by were engineered and assembled by Boeing workers. At Renton, just south of Seattle, a new 737 rolls out of a vast assembly hall every day and a half. In nearby Everett, 747s are made in the world's biggest single production building.

At Arbury Boeing has a giggettie

At Auburn, Boeing has a gigantic machining sbop, perhaps the world's biggest at 4.2m sq ft. Every day it dispatches 72,000 components and sub-assemblies, many of them made on cutting machines the size of a house.

plant, Boeing has installed its first flexible manufacturing system (FMS). Eight machines are linked together and fed by eutomated trucks. Run by a computer softwear programme, the system is part of an advance guard of new production techniques capable of dramatically

lowering manufacturing costs.
The trouble is that Boeing does not know how to run the Auburn system. A year and a half after installation, it still cannot get the softwear to work properly. Workers have resorted to starting and stopping the trucks manually. There are twice as many machine tool operators as there should be.

In other words, a company that makes sophisticated aircraft, which can fly 500 people for thousands of miles, is struggling to cope with a manufacturing system the basic concept of which has been around for years.

for years.

The Auburn example indicates a fundamental problem facing manufacturing companies, especially in the US and western Europe. Although the new techniques cut costs and improve production flexi-bility, they require a big shift in

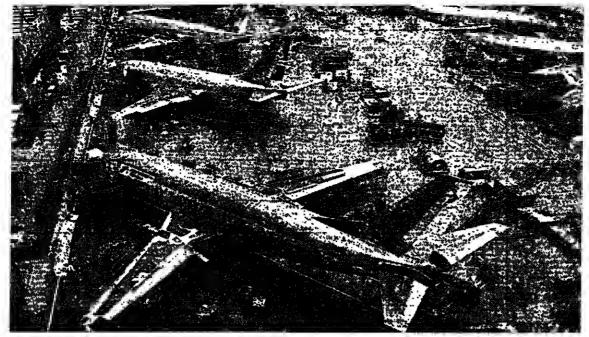
To run automated systems with any degree of success, companies any degree of success, companies need graduate level engineers on the shopfloor. They need detailed statistical breakdowns of their production costs. They need strategic manufacturing plans. They need to redesign products. Much of this simply does not fit in with western industrial culture. industrial culture.

Many western manufacturers rushed into automating their factories in the early 1980s, ran into trouble and turned away from FMS

towards simpler systems.

However, the Japanese and to some extent the West Germans, who both made a slow start in manufacturing automation, are now beginning to pull ahead.

Japan has a huge stock of conventional machines. Of its 600,000 production machines, only 11 per cent are computer controlled. The down-



The culture shock of automation

Nick Garnett examines new cost-cutting manufacturing techniques and the problems that come with them

at-heel jobbing shop lives on. But among its most advanced manufacturers, technical developments in production are proceeding rapidly. In 1985 Japan had 135 FMSs in basic engineering companies. This has nearly doubled to 254, according to the Japanese magazine, Metalworking. This compares with about 20 in the UK.

Two questions about the balance

of power between manufacturing nations emerge from this: Is e new wave of low-cost flexible manufacturing, allowing greater product and model variation, about to emerge from Japan? That country is already an excellent low-cost manufacturer, principally of large volumes of standardised merchandise with "optional extras" built in to help reduce manufacturing costs. Where does this leave the sup-posed revival of smokestack Amer-

ica? Plants are loaded with orders now, mainly because of the high demand for industrial products and the impact of currency movements. But many US manufacturers are

how to measure factory performance. Some are installing FMS but, in a computer culture, the best American engineers would rather work with VDUs than shopfloor machinery. With some notable exceptions, such as the Ford motor company, these are common charac-

Larry Yost is operations vice president of the industrial control group at Allen-Bradley, the Milwau-kee-based supplier of programmable controllers, computers and other equipment used in factories. Ask him whether smokestack America is making a sustained return from the miseries of a few years ago and his face looks troubled.

"Some good things are happen-ing. Strategic thinking is coming in the US, but very slowly. I get the sense that in Europe there is a better understanding of all this. Mean-while the Japanese are clearly tak-ing the flexibility route," he says. Bob Douglas, president for engi-neered systems at Litton Industries,

reflicient and have little concept of the factory automation and equipow to measure factory performent supplier based at Florence, Kentucky, says the position of many US companies has worsened. "I do believe that US manufacturing companies have reduced their

staff counts over the past 10 years and, as a result, engineering types found in shopfloor operations have een displaced." There are three levels of factory

• Computer Integrated Manufacturing (Cim) is a total system. This involves customer orders arriving electronically and an integrated computer system running the production operation from start of assembly to final dispatch.

• FMS involves the computer linking of several production or assembly machines, usually with an auto-mated handling system.

The simplest form of automation

is known as call manufacturing. Each cell is made up of one or two entting machines connected to a robot or simple handling equipment. The cells are programmed by computer but operate separately from everything else in the factory. The Japanese have many produc-tion plants where there is electronic ordering of materials. But they have shied away in droves from Cim. The concept seems to have failed to take off anywhere, evan though some clever factory-wide packages do clever factory-wide packages do exist. Systems integrators and equipment suppliers have instead lowered their sights to individual operations within factories.

Allen-Bradley has a plant with an minerated assembly system in Mil-wankee, Wisconsin, which — with just 13 technicians and machine minders — produces 600 electrical components an hour in almost 800 product variations. Producing small components with many variations is the most suitable type of production for Cim. But these types of plants are few and far between.

The automation issue of the moment is FMS versus cells. Frightened by the cost of FMS, worried about how to organise the feed of materials and lacking the technical expertise to run the system, many companies have simply backed off.

The US machine tool sector, which tried to lead manufacturing industries into FMS, has itself been sliding away from it. Cross and Trecker is closing its components Trecker is closing its components facility at Georgetown, Kentucky, and splitting the FMS into cells for other plants. This leaves Ingersoll, which has an outstanding plant at Rockford, Illinois, and Mazak of Japan as the only machine tool makers with US plants that use

Cells are perfectly adequate production systems for some components and some factories. But Yost says that the penalty in manufac-turing costs of not transferring production to FMS where it can be done is often high. The other prob-lem is that a shopfloor designed around cell manufacturing is difficult to convert to FMS.

Manufacturing costs are becoming ever more important in the bat-tle for market share. This brings us back to Boeing. A marvellous organiser of its assembly operations, management openly concedes that Boeing's manufactur-ing is no where pear as cost efficient as it should be.

Airbus has become a significant competitor. The Japenese, who already provide e lot of the electronics for Boeing planes and many of the fuselage sections, have a long-term aim to manufacture large jets. Their aerospace industry could grow from its current annual sales of 57km to 50km by the and of the of \$7bn to \$30bn by the end of the century, according to a report by consultants Booz Allen & Hamilton.

At the moment Boeing is engaged in a long programme of re-examin-ing how it does things. But for suc-cessful businesses — Boeing has more than 60 per cent of all jet liner orders this year - there is an added problem.

Sound broadcasting lobby proves a point on a bus

THE European Broadcasting Union (EBU), Eurovision's parent organisation, has demonstrated that high quality sound can be broadcast by satellite.

During tours around Geneva, in Switzerland, bus passengers heard stereo sound of compact disc qual-ity, without the occasional fading usually associated with stereo reception in a moving vehicle.

The demonstration was part of a campaign by some of the EBU's member countries for frequency allocation for e satellite sound broadcasting system. Their efforts were aimed at delegates attending the International Telecommunica-tion Union's World Administrative

The joint developers of the sys-tem, CCETT (Centre Commun d' Etudes de Talédiffusion et Talécommunications) of France and West Germany's IRT (institut für Rund-funktechnik) simulated satellite sound broadcasting under what they said were adverse conditions.

Pirst, reception in a moving vehicle in an urban environme venicle in an urosa environment is notoriously difficult. Second, instead of using a satellite, the dem-onstration was via a transmitter on a nearby mountain, giving an eleva-tion angle of some three degrees as opposed to the 15 degrees or more which would be experienced with e

The system is digital and uses two techniques, coded orthogonal frequency division multiplex (COFDM) and masking adapted

sub-band coding and multiplexing (MASCAM). This combination over-comes the problem of echoes caused by signals travelling by different paths and reduces the amount of

The COFDM coding and decoding allows multi-path echoes to contrib-ute to reception instead of impair-ing it. This efficient use of the radio

spectrum means that the satellite can have a low-power transmitter. MASCAM coding is based on the psycho-acoustic properties of the human auditory system. Tests have shown that people are, generally, unable to tell the difference between a MASCAM coded/decoded signal and a live studio signal.

Compared with current compact differences with turnent compact.

disc players, which transfer data at a rate of 700,000 bits per second, the a rate of 700,000 bits per second, the MASCAM signal is about 130,000 bits per second — this would allow a compact disc to have six hours' playing time instead of one hour. The proposed system would give each country a total of 16 CD quality radio channels (with a total bandwidth allocation of 84 MEA.

bandwidth allocation of 84 MHz).

The CCETT is also working on a high-definition television system with total "surround sound", with seven to 10 audio channels to give a feeling of being at sports events and the like.

The specialists at the FTU conference have recommended that a decision be taken on such a service at a future conference, as the prese one has no mandate in this area.

Mobile graphics studio helps keep company productions up to date By Paul Abrahame

The studio, owned by the Nor-wich-based Travelling Matte Com-pany, can create graphics for title sequences, animated and stationary graphs and captions for the presen-tation of comment results

graphs and captions for the presentation of company results.

Robert Harris, founder of the company, says that nearly 50 per cent of the UK's top 100 companies have in-house video production facilities. But they are unwilling to invest the amounts needed for the

latest graphics equipment. "The trouble is that analysts watching results videos now expect high quality graphics, similar to those they have seen on television."
says Harris. "But the technology to
produce that quality of output is
changing so fast that companies need to invest about £100,000 every

A UK VIDEO company has introduced a mobile graphics studio vides the necessary facilities at a which can be linked to in-house production facilities.

The Mercedes van used to house

the studio contains a Spaceward Matisse graphics computer system, a rostrum camera and a Sony video printer. The van can also be used as a video studio. The equipment can output to video, alides or a printer. Diane Wright, audio-visual con-

troller at Norwich Union, the UK. insurance company, says: "Our videos show the company's finan-

videos show the company's financial results and can be quite complicated. They also need to be undated on a regular basis.

"Rather than going to post-production companies in London or Milton Keynes, we can do the alterations in our own building."

The Travelling Matte Company

The Travelling Matte Company has increased its annual turnover from £8,000 three years ago to

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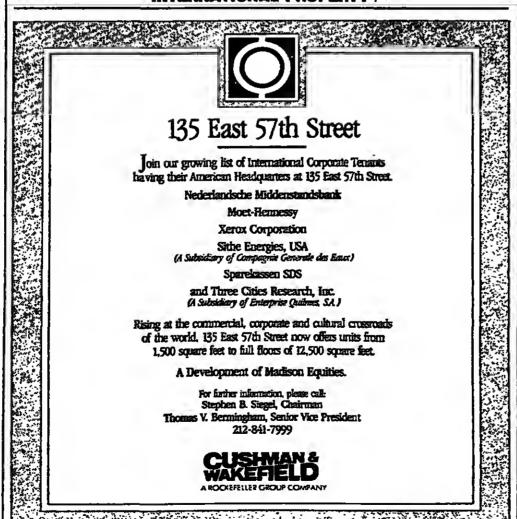
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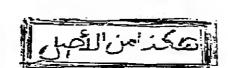
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THE PROPERTY MARKET

Paul Cheeseright looks at how chartered surveyors are reacting to the regulations of the Financial Services Act

Fitting more comfortably into a new world

he big London chartered surveyors are being forced to come to terms with a new world – the web of financial regulation which controls investment business under the Financial Services Act.

The trouble is that investment, as surveyors traditionally understood it, is not the same as investment understood by the Financial Services Act. Property investment as such is not covered by the Act, but property investment linked with other investment, is.

So a lengthy series of discussions is in train to try and fit the surveyors more comfortably into a system of regulation which was not formulated with them in mind.

Two things happened to bring about this state of affairs. The first was the passage of the Act itself and the framework of regulatory bodies that it spawned – the whole designed to regulate the conduct of investment business, like securities dealing and financial advice.

The second was the change

in techniques of property financing — the larger role of the banks, the elaboration of funding packages for development, the likely establishment of a market in securitised property and the acceptance by surveyors that, if they did not play a part in it, then somebody else

Playing such a part inevitably meant that at some point the activities of chartered surveyors would fall within the scope of the Act. This led 24 practices to seek membership of The Securities Association (TSA), one of the five self-regulatory organisations under the Securities and Investments Board, the key instrument for regulating investment business. So far, 19 have been securitied

The 24 are the largest chartered surveying practices, but it was not clear at the start of this year what parts of their business fell into TSA's ambit, nor how they would handle compliance with TSA rules. So they got together, set up working parties and engaged the TSA the adiaborate.

SA in a dialogue. The surveyors have an informal committee, based on representatives from Chesterton, Debenham Tewson and Chinnocks, Richard Ellis, Jones Lang Wootton, Hillier Parker and Weatherall Green & Smith, which has been engaged in talks with TSA. Now, five months after the Act came into force the position is clearer. This starts with the nature

This starts with the nature of the business covered by TSA regulation. Buying and selling property does not come into it, but managing money for clients and advising on the merits of property as an investment relative to other forms of investment does. The whole field of activity in unitised property is covered, as is any activity beyond property valuation related to mergers and acquisitions. Arranging losns on land and buildings does not come into TSA regulation, but advice on bonds and instruments to manage interest rates

All of this represents a small but developing section of surveyors' business, which can only be carried out legally by those authorised by TSA. So the surveyors have been set-

ting up separate financial services companies to handle it. What they have not done is to seek authorisation for their whole practice. The financial service companies, authorised by the TSA, are housed in a separate location from the other sections of the business.

"Our key compliance problem is ensuring that that work
which should be done by the
financial services company is
not done by the major body of
the kirk," said David Piggott,
of Chesterton, who has been
playing a leading role in the
talks surveyors have had with
TSA.

So compliance manuals are springing into existence. There tend to be two. The first covers everybody in a practice. That at Jones Lang Wootton, not dissimilar from those in other practices, sets a code of conduct for matters as diverse as keeping clients' information confidential to conflicts of interests. The second is for the financial services company and is modelled on TSA rules for the conduct of business.

the conduct of business.

But there is a financial angle to all of this. TSA demands

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that those it authorises have adequate capital. The amount of capital that is deemed adequate is related to turnover. One reason financial services companies have been set up is precisely to keep the turnover down and the capital requirement less.

Surveyors so far have been making capital provisions of about £15,000. But if any of them decided to become market makers in the new unitised property market (see right), then the provisions would have to be much higher.

So far, so good. There has been no enthusiasm among surveyors for the mechanics of the new regulations, although the principle of investor protection is not queried beyond the

fact that surveyors are generally dealing with companies which know perfectly well how to look after themselves.

Six months ago, recalled Mr Piggott, "everyone regarded it as a burden, a pain. If you ask us now we would say that there is not an increase in our overall turnover but we do genuinely believe that there is money to be made in this mar-

In other words, the surveyors are learning to live with the system. This is partly because surveyors and TSA have learnt something about each other. "Surveyors have heen fairly pleased with the level of co-operation from TSA and we hope to establish a modus vivendi between very NACEATER

different types of business,"
said Colin Vaughan of Debenham Tewson and Chimocks.
The TSA, evidently prepared to accept that its model letter is not suitable for surveyors, now has a new draft in front of it, prepared by surveyors, which is shorter, less complex and user-friendly. It will probably accept its use.
The second area where TSA is likely to grant a waiver is in financial reporting. The general system has been designed for businesses like stockhook-

The second area where TSA is likely to grant a waiver is in financial reporting. The general system has been designed for businesses like stockbroking where there is a constant series of transactions and calls for returns once a month. Surveyors are on the fringe of all this and there is the distinct possibility that TSA will adapt the rules for them.

How the rules will work

ater this mentic the Department of Trade Jand Industry regulations covering investment in single asset property market will be laid before Parilsment. By November there will be no reason why the new market should not start.

This is of key importance to surveyors and not only because it will add a new element to property financing. Any advice they give an single asset property schemes, any

market should not start.
This is of key importance to surveyors and not only because it will add a new element to property financing. Any advice they give an single asset property schemes, any market making they do, any research into the vehicles themselves, any advice on flotation of the issues, any action they take as a trustee or an intermediary for the schemes will fall into the pattern of regulation set up in the wake

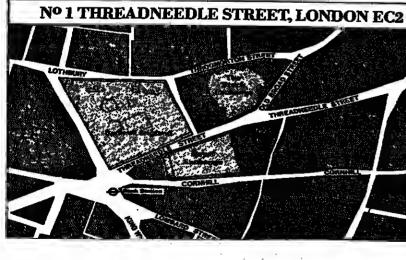
will fall into the pattern of regulation set up in the waka of the Financial Services Act. The first issues of property income certificates, giving an entitlement to a share in the rental income and running of a single property, will probably be launched before the end of the year. Even under the most optimistic predictions, the market will take time to gain momentum and launck prospects have not been enhanced by false hopes for its inception raised and dashed for nearly two years. But it is the meeting point for the property and securities markets.



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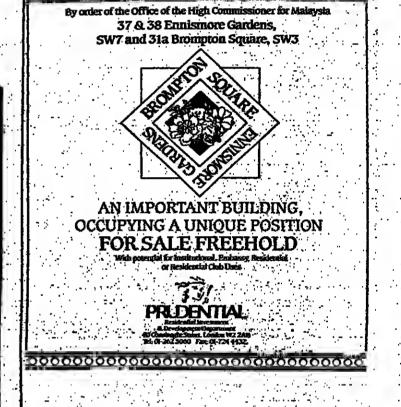
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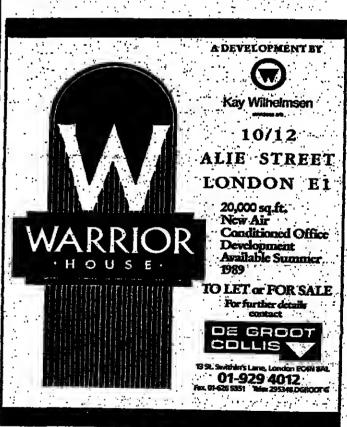


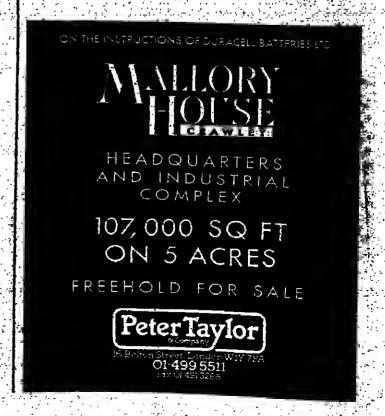
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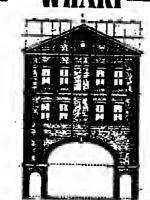
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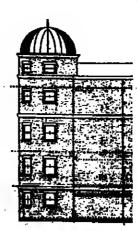
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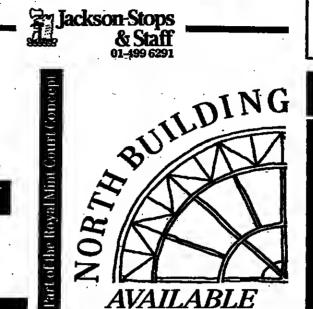
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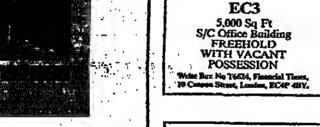
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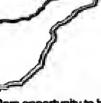
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Corporate structure

Why FI is contracting to expand

Hilary Cropper explains to Michael Skapinker her approach to re-focusing her systems house without damaging a key strength - its culture

ast year Hilary Cropper's company, the FI Group, received one of the busiaccolades. It became a case study at the Harvard Business School.

Cropper, the UK computer soft-ware company's chief executive, flew to Boston to watch the case being taught for the first time. With her was Stephanie (Steve) Shirley, who founded the company in 1962 and staffed it with programmers working mostly from home.

The two have a high regard for one another. Shirley headhunted Cropper from ICL, the British computer company, in 1985. Cropper became chief executive last year when Shirley stepped down as man-aging director. Shirley still sits on FI's board, but now devotes more of her time to community work.

"Steve is a great entrepreneur, a huge strength for this company and will always be its conscience," Crop-per says. But, she adds, Shiriey was "well aware that she didn't have the skills to take the company to the next stage of development. She very deliberately sought out someone like me with my work record." That record included senior man-

agement experience at ICL. Cropper also set up ICL's own network of home workers, which was itself

inspired by the success of FL Cropper believes, however, that all the publicity about FTs over-whelmingly female, home-based net-work might have given people the

work hight have given people the wrong impression about what the company does.

"Our image in the past has been of a cottage industry. When you have people working from home, you kind of attract that image and the sticks to you. But we are a very it sticks to you. But we are e very serious professional systems house," she says. FL which has its head office in Berkhamsted, Hertfordshire, employs over 1,000 peo-ple, all working at least 25 hours a week. Its client list includes the National Westminster Bank, Avis, Tesco and Sun Alliance. Turnover rose 43 per cent to £15.5m last year,

from £438,000 to just over £1m.

As well as trying to update its image, FI has changed its name. It used to be called F International, but this year's sale of the company's only remaining non-UK business, in the Netherlands, made the International' part of the title inappropriate. The group nulled out of propriate. The group pulled out of the United States in 1985 and sold

while operating profits increased

its Bardsh business in 1986. Cropper intends to concentrate on the company's home market before. venturing abroad again. The problem with FT's international expan-sion in the past, is that "it was done on the basis of trying to spread the culture, without thinking through how to enter markets which had

become mature. "What's clear is that we are in an whars clear is that we are in an industry that's changing. Systems houses are becoming international and becoming the possessions of large organisations. If we want to survive in that storm of activity we've got to concentrate on our

own market."

She says that the company has to look for business and serve its customers in a more organised and systematic manner. In the past, Cropper says, groups of FI staff in different parts of the country tended to see themselves as small, autonomous companies.

Most of Fl's people joined the company because they had young children. As well as being attracted children. As well as being autraced by the flexible hours the company offered, they did not want to travel too far to visit customers. "What they were tending to say is that because we're local, we've got to find business locally," Cropper says. The company found, however, that customers were increasingly. that customers were increasingly asking FI to take on larger projects, designed to provide more compre-hensive solutions to their information technology problems. Although that presented a threat to FTs localised approach of doing business, it also, Cropper says, presented the company with an opportunity.

In the past, programmers worked either at home or at the client's premises. "But as the clients give you bigger pieces of work, they don't want you on the premises." They've got no room for you. So the work doesn't have to be on your

FI can now undertake to do work for a client based in one part of the UK, and set up a team to carry out the work in another. At the moment, for example, the company is doing some work for Access, the credit card company. But instead of looking for FI programmers who live close to the Access headquarters in Southend, part of the work is being done in Berkhamsted. "Sud-denly you can really take work to the people rather than taking peo-ple to the work," Cropper says.

To assist the process of taking the To assist the process of taking the work to her staff, Cropper intends to increase the number of FI offices around the country from eight to 20. At present, a typical FI programmer spends 40 per cent of her time working at home and 60 per cent in an office, usually that of the client. Eventually, she hopes most of the

Pump-priming 'ruinous' management systems

work away from home will be done in the FI office closest to where the

in the F1 cance chosest to where the programmer lives.

To help the company land more work, F1 set up a national sales force in 1986. Creamer will not say how large the sales force is — T think our competitors would like to know - but its members work from their homes and local FI offices, communicating by elec-

tronic mail.
She admits that not all these changes have been easy to institute. "I would say this is a company with a very strong culture. There's a very high degree of individual commitment to the job and to the other people in the company. There's an accompany to the same and to some eagerness to work and, to some extent, a perfectionism.
"On the other hand, there's a

downside. There's a reluctance change. To some extent you get the old culture trying to hold you back.
"In a technical sense, FI people change all the time and are very thirsty for learning. But I think there's a sort of fear that some of the things they relye in the culture. the things they value in the culture may come under threat, that if the company is to survive in the long term by being aggressive in the market and growing very fast, that that will swamp the company." Cropper does not see the compa-



Hilary Cropper: a more systematic approach

ny's culture as being under threat, selves of their belief that the only. She believes the working methods it, way to control people is by insisting

She believes the working methods it way to control people is by masting has pioneered will become increasing they come into the office every day, ingly important as the number of in many areas of work, it is possible to judge becale by the quality of their output, rather than by the shortage of personnel. Other companies will also have to look to mothers at home and retired people to fulfil their staffing requirements.

To emulate If the argues those To emulate FI, she argues, those not you can see them, doesn't affect companies will have to rid them how productive they are."

t is a little more than a year now since the Scot-tish-based Weir Group bought the large pump manufacturing arm of Mather and Platt, a once great name in the annals of British engineering.

A strategic acquisition, it consolidated Weir's base in the UK, removing the threat of a takeover of Mather's pump activities by a foreign competi-tor. It also took out the competition posed by a rapacious price discounter which had habitually upset UK pump pri-

cing.
The importance of the deal, though, was not just about the market. It also involved a clash of management cultures.

Mather's straggling 55-acre site in Manchester, half of it covered, had been owned for the previous ten years by Wormaid International, the troubled Australian industrial group. Wormald had little knowledge of the pump busiprotection equipment, it was more interested in Mather's

company to the pleasant Glas-gow suburb of Cathcart, is a pump maker through and through. It has other strings to its bow but as Europe's third biggest manufacturer of pumps after KSB of West Germany and the Swiss company, Sulzer, its health still depends overwhelmingly on the pump mar-

Since the purchase, Ron Gar-rick, Weir's managing director has been very critical of what

fire protection interests (which are still owned by Wormald). For years it was runoured that Wormald wanted to sell Mather's pump operations. A year earlier, Mather's managers had actually offered £18m for it. Wormald ended up offloading it for £10m.

Weir, on the other hand, an aggressive but rather dour company to the pleasant Glastory was "ruinous", says Garrick.

Australian group during the

Mather ownership have been

says Garrick. Lack of cost controls was endemic and there was an absence of communication between departments that left everyone blind to what colleagues were doing. Garrick is also scathing about the level of investment at Manchester. Wormald accepts many of these criticisms. Most of the senior managers running the

ousted in two recent manage

ment upheavals in Sydney.

But a spokesman for Wor-mald in the UK said the group did not understand the pump business which it left in the hands of local management. Wormald did not have the management controls to cope with the operation and that is why it sold the business.

He refutes a Weir allegation that Wormald never put any-thing into Mather. It spent a considerable sum on metals technology and on the foundry, for example, and Weir accepts that one of the rewards of the purchase was Mather's special steel technology.

The decline of Mather was a

sad affair because in the past it has been a tremendous train-ing ground for managers in the pump business. Former Mather and servicing networks are

managers include the present heads of UK operations for pump companies Sulzer and Worthington Simpson, the managing director of SPP Pumps and the president of Dresser Pacific Pumps in Los

At the takeover, though, Mather was a declining force.
Many in the industry believe
Weir will eventually shut the
Manchester operation. This
Weir denies and is pressing
sheaf with the completion of shead with the completion of its rationalisation plan. Since the purchase, Weir has cut the workforce from 1,000 to

800, moved production of some pumps to Glasgow and transferred much of Mather's engineering research capability to Weir's Scottish development facility at Alloa. Distribution Much of the focus of atten-tion, though, has been on improving the performance of Mather's manufacturing plant. Weir says that it found deliv-eries of pumps from Manchester were on average more than 20 weeks late, with some of the bigger units up to a year behind schedule. Only a half of

output was delivered on time. An audit following acquisi-tion revealed that Mather often took between 50 per cent and 100 per cent more man hours to complete a pump than Weir's Glasgow plant. One reason for this, says

Weir, was gross slackness in time measurements used on the shopfloor. Time allowances for completing individual machining jobs were 25 per cent more generous than at

The state of the s

Nick Garnett reports on Weir Group's shake-up of the engineering subsidiary it bought from Mather and Platt Garrick says there were no proper controls on the timing of a job through the plant, on monitoring progress of a project or on costing. We have put in cost control procedures and these are reviewed every. month for every project, through its life. It is terribly mundane and boring but it works a treat."

works a treat."
Weir says the bonus payment system was a shambles and damaged productivity.
Some changes to the system. have been introduced and others are being discussed with

old chestnut of getting people there.

to talk to each other. We've used the most meeting approach that we use up here in Glasgow," says Garrick. "Once a week representatives from each department meet together on the hig contracts. It's only common sense getting communication going across divisions but Mather did not have that."

The benefits from reorgant sation so far are dramatic.

sation so far are dramatic. sation so far are dramatic, according to Weir. Average lateness in completing orders has dropped to less than one week. Just over 90 per cent of products are delivered on time; still below the 95 per cent achieved in Glasgow. Weir says. that by the autumn it should soon be able to produce the same cost and in the same

ahop stewards.

A lot of the people at Manchester are really first rate. I
think they just needed a lead, no plans to shut it. But it is
says Garriek.

One for to this here here the says Garrick. anxious to find new manufac-One key to this has been the turing activities to house

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OPERA AND BALLET

Rheingold is by Yury Lyubimov, conducted by Bernard Haitink, with James Morris, Kenneth Ricd, Ekkehard Wlaschiha, and Helga Dernesch. Further performances of Turandot, with Gwyneth Jones in powerful form in

neth Jones in powerful form in the title role.
English National Opera, Coliseum. Three of the ENO's less successful recent productions make up the week's schedule, all of them relieved by strong casting: the new Pountney staging of La Traviata, with Helen Steld as Violetta Pountney's Field as Violetta; Pountney's rubbish-dump setting of Carn with Jean Rigby in the title role; and Jonathan Miller's Barber of Seville, comprehensively over-hauled, with Della Jones's sover-

Opéra. Rigoletto conducted by Alain Lombard/Alain Guingal Alam Lombard/Alam Gungai returns to the Palais Garnier after 18 years' absence, with Neil Shicoff/Taro Ichihara, Alain Fon-dary/Manuguerra and Alida Fer-rarini/Christine Barbaux. It alterrarini/Christine Barbaus. It amenates with Julius Caesar conducted by Jean-Claude Mal-goire, a specialist in baroque music. Nicholas Hytner presents a production of remarka a production of remarkable beauty spiced by flashes of frony. The title role issung by Graham Pushee, Cleopatra by Felicity Lott (bookings 47425371, information in 3 languages 47425750). Paluis des Sports. Alvin Alley and the American Dance Theatre present the Suite Afro-Carafbes for bird with love and revels-tions. Until Oct 18 (Bookings Ballet National de Marseille with Roland Petit: Inspiration Prevert, Cocteau, Kochno. Music by so. Wakhevitch and Christian

miered. Faust with Josef Protechka in the title role and Ulrich Hielscher (Mephistopheles), Ashley Puinam (Margarete). Die Rallenerin in Algier rounds State Opera. In repertory: Lucia di Lammermoor conducted by Rico Saccani, with Luciana Serra, Paola Coni. Il Trovatore conducted by Pinchas Steinberg, with Gabriele Lechner, Stefania Trestrice, Civilian Ciennella

Semiramide, newly produced by Pier Liugi Pizzi highlights the week with Cheryl Studer and Kathlenn Kuhlman. Eleana Cotrubas lieder recital with pis-nist Teodor Paraskiwesco with songs by Georges Enesco and Frant Liszt.

Frankfurt

with Gabriele Lechner, Stefania Tocyzka, Giuliano Clannella. Borls Goudunov conducted by Mark Emler, with Ludmila Schemtschuk, Rohangiz Yachmi, Noriko Sasaki, Heinz Zednik. Maria Stuarda by Donizetti, conducted by Ion Marin with Agnes Baltsa, Maria Zampieri, Ama Gonda. Simon Boccanegra conducted by Claudio Abbado with Capitale Lechner. Anna Gonda.

ducted by Claudio Aboado with Gabriele Lechner, Anna Gonda, Giuseppe Taddei. Ballet: Grosse Fuge von Bee-thoven/Liebeslieder Walzer by

Volksoper. In repertury: My Fair Lady. Ein Walzertraum by Oscar Strauss conducted by Rudolf

Ribl. Cosi fan Tutte conducted

by Konrad Leitner. Der Freis-chütz. Mignon by Thomas con-ducted by Ernst Maerzendorfer (51444 Ert 2662).

Fidelio, Deutsche Oper. A Jean-Pierre Ponnelle production con-ducted by Heinrich Hollreiser.

Aus einem Totenhaus by Jana-cek is revived with Helga Wis-niewska, William Dooley, Peter

Maus and Hermin Esser. Zar und Zimmermann features Gud-run Sieber, Andres Schmidt and

run Siener, Amires Schmidt and Uwe Peper. Los Alamos, specially composed for the Bertin Opera by Marc Neikrug, has cast led by Angela Denning, William Dooley and Wolfgang Trantwein.

Der Barbier von Sevilla, Staatso-per. Stars Janice Hall, Yoko Kawahara, Alejandro Ramirez and J. Patrick Raftery. Die Zaub-erliote with Hellen Kwon, bril-liant as the Queen of the night.

La Boheme brings together Cris-tina Rubin, Patricia Wise, Urgan

Malmberg and Harald Stamm. Ariadne auf Naxos has fine inter-

pretations by Hildegard Hartwig, Celina Lindsley, Dieter Weller and Klaus Konig.

Turandot, Opera. Olivia Stapp outstanding in the title role, the cast also includes Hubert Mohler,

Dieter Schweikart, Janice Hall and Juan Lloveras. Ein Sommer-

nachtstraum is steered to tri-umph by Paul Esswood and Darla Brooks, brilliant as leads.

Das Gauklermarchen, the first opera composition by Gerhard

Konzelmann has received controversial reviews, when it pre-

Hamburg

Brahms. (51444. ext. 2660)

William Forsythe's ballet. winam Forsythe's battlet, Impressing the Czar, is revived. John Cage's Europeras 1&2 takes the leads Michael Shamir, June Card, Anny Schlemm, Seppo Ruohonen and William Workan. Der Wildschutz has an man. Der Wildschutz has an interesting cast led by Willaim Workman, fise Gramatski, Ryszard Karczykowski and Julie Kaufmann. Fidelio is steered to triumph by Reiner Goldberg, brilliant as Florestan. Le Nozze di Figaro is a well-done reperture performente.

Testro Olimpico, Piazza Gentile da Pakriano. The ISO Dance Theatre of New York, an acrobatic dance company formedin 1986 by four members of the Momiz group: the name ISOs-tands for "I'm so optimistic" (Wed, Thurs) (3601752 or 39628

Teatro Alla Scala. A co-produc-tion by the Ballet National de Marseille and the Berlin Deutsche Oper of Roland Petit's Ballet L'Angelo Azzuro, based on the novel by Heinrich Mann, with music by Marius Constant and scenery by Josef Svoboda. The cast includes Luciano Savignano, Roland Petit, Jeanne-Pierre Aviotte and the singer Molva (now well known outside Italy for her dramatic performance of songs by Kurt Weill) (80.91.26).

Teatro Ragio, Last two operas of Wagner's ring cycle produced by Giantranco de Bosio and designed by Attila Kovacs and Santuzza Cali. Zoltan Pesko conducts Siegfried with Ortrun Wen-kel, Graham Clark, Gerd Bren-neis and Heinz Ecker, and Götterdämmerung with Stella Doz, Reinhild Runkel, Wolfgang Schöne and Camilla Deberschaer.

Teatro Comunale. Verdi's Simon Teatro Communate. Verdi's Simon Boccanegra opens season; a faithful reproduction of the version given at the Scala in 1881 under the close supervision of the composer, produced by Virginio Puecher and designed by Raffaele del Savio. Giorgio Zancanaro sings the title role, with Maria Chiara and Sendra Pacetti alternating in the part of Amelia. Conductor is Myuns-Whun Conductor is Myung-Whim Chung (Tues, Thur) (2779236).

New York City Opera, State Theater, Lincoln Center. The week features Jay Reise's Rasputin. which was commissioned by the company, and is conducted by Christopher Keene and directed by Frank Corsaro, with John Cheek in the title role. The week Cheek in the title role. The week also includes the new production of Rigoletto, conducted by Elio Boncompagni and devised and directed by Tito Capobianco, along with the revival of Douglas Moore's The Ballad of Baby Doe with Faith Esham, Joyce Castle and Timothy Noien conducted by Hal France. (496 6600).

Metropolitan Opera. Opera Metropolitan Opera, Opera House, Lincoln Center. The s son opens with a repertory including Julius Caesar, Il Trova-tore, Das Rheingold and Lucia

Lyric Opera, Civic Opera House, Donato Renzetti conducts Miriam Gauci as Lisa and Frank Lopardo as Elvino in Sandro Sequi's pro-duction of La Sonnambula. (332

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val Hell (Sun) (928 3191; cc 928 8800).
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Gatt (hassoom), Bach, Haydn,
Barbican Hall (Sun) (538 3891).
BBC Symphony Orchestra conducted by Lothar Zagrosek, with
Roland Hermann (baritone), Brigitte Fassbaander (mezzo-soprano) and the BBC Singers.
Brahms, Schönberg, Royal Festival Hall (Mon) (928 3191; cc 928

8800). Orchestra and Chorus of the Orchestra and Chorus of the World conducted by Janusz. Bach's B Minor Mass. Concert in sid of Great Ormand Street. Hospital. Royal Albert Hall (Mon) (589 821; 589 9485).

The Philharmonia conducted by Guisseppe Sinopoli, with Gil Suaham (violin) and ladies of the Philharmonia Chorus.

Debussy, Mendelssohn. Royal Festival Hall (Tue) (928 8191; cc 928 8600).

Saint-Saens, Dvorek, Berbican
Hall (Tue) (638 8891).
London Mozart Players conducted by Jane Glover, with Kun Woo Paik (pisho), Mosart, Bes-thoven, Haydn. Royal Festival Hall (Wed) (928 3191; cc 928 8800). District Fischer-Dieskam with Dietrich Fischer-Dieskan with Hartmut Höll (piano), Schubert Goethe Lieder. Queen Ethzabeth Hall (Wed) (928-3391; cc 928-8806). The Philharmonia conducted by Roger Norrington, with John Lill (piano). Stravinsky, Rech-maninov, Berlioz, Royal Festival

Hall (Thur) (928 8191; ec 928 8800).

Ensemble Intercontemporate conducted by Kent Nagano, with AnnaSteiger (soprano). Nono, Stockhausen, Zimmermann, Varese. Theatre Renaud-Barrault (Mon) (4256080). Orchestre de Paris conducted by Witold Lutoslawski, with Krystian Zimerman (piano) and Etienne Pecisud (cello), Lutoslawski. Salle Pleyel (Wed, Thur)

(45630796).

Opera Orchestra and choir conducted by Daniel Bauer, with soloists Julia Varady, Trudeliese Schmit, Gary Lakes, Sigmund Nimsgern, Beethoven (Ninth symphony). Opera (Thur) (47425871).

Donna Brown (soprano), Francis Dudziak (baritone), Jean-Bernard Dartigolles (piano). Liszt, Gotmod, Saint-Saens, Chaosson, Franck. Musée d'Orsay, Salle de Fêtes (Thur) (40494814).

Trio di Triesta, Brahms, Schub-ert, Teatro alla Scala (Tues) (80.91.26).

Wartiembergisches Chamber
Orchestra conducted by Jorg
Faerber, with Anne Sophie Mutter. Haydn, Bach, Mozart, Respighi. Teatro Olimpico (Thurs)
(3852855). Norbert Balatsch conducts Bruckner's Ecce Sacerdos
and his Mass No. 2 in E minor,
with Anne Pusar (soprano), Anne
Gjevang(mezzosoprano), James
Wagner (tenor) and Philipp Kang
(bass). Anditorium in Via della
Conciliazione (Sat. Sun. Mon. Conciliazione (Sat, Sun, Mon, Tues) (6541044).

Kuchi Quartett. Haydn, Bee-thoven, Mozert. Musikverein

tring, Moderne, Konzerthaus

(Fci). Whener Mozert Orchester (in historical costume). Sofienzae (Fri. Wed). Whener Philliammoniker conducted by Claudio Abbado, Beethoven. Konzerthems (Sat, Sun). Concentus Massicus and the Arnold Schoenberg Choir conducted by Rikolaus Harnoncourt. Mozart. Musikverein (Sun).

Whener Ensemble conducted by Antonio Lopezrios, with Rafael Bonnadio (plano). Revueltas, Gattermayer, Ginesters. Musikverein (Mon).

verein (Mon).
Occhesina da camera di Santa
Cecilia, conductor and solist,
Ulto Ugin (violin). Rossinia, Mozart, Rossi, Viotti, Musikverein

art, Hossi, Victal, sansiaverent (Tues). Whener Schubert Trin. Shosta-kovitch, Pirchner, Zemlinsky, Beethoven: Musikverein (Tues). Whener Symphoniker and Wiener Sängerknahen conducted by Manfred Honeck, with Ernst Kovacic (violin). Berg, Dvorak. Konzerthaus (Wed, Thurs).

Hermann Prey recital with pianist Leonard Hokanson all Schubert programme. Frankfurt Atte Oper (Sat). Badio Symphony Orchestra under Eliahu Inbal with Friedrich Smetana, Frankfurt Alte Oper (Wed, Thurs).

Bevarian Radio Symphony Orchestra under Colin Davis. Stravinsky and Sibelius, Philhermonie im Gastelg (Fri).

Boston Symphony. Seiji Ozawa conducting, Stanislav Bunin piamo. Brahms, Beethoven, Car-negie Hall (247 7800). ducted by Andrew Davis with Dmitry Sitkovetsky (violin), Stanley Drucker (clarmet). Shostakovich, Bernstein. Avery Fisher Hall, Lincoln Center.

On Original Instruments with Anner Bylsma (cello), Stanley Ritchie (violin), Malcolm Bilson (fortepiano), Schubert, Beethoven. Merkin Hall (Wed) (362

National Symphony conducted by Gunther Herbig, Haydn, Schubert, Schoenberg, Kennedy Cerber Concert Hall. (Thur) (254

Chicago Symphony conducted by Sir Georg Solti with Walfrid Kujala (flute). Schubert, Schuller, Besthoven. Orchestra Hall (flute). 425 2122

Berlin Philharmonic Orchestra conducted by Brich Deinsdorf with Ottomar Borwitzky (cello). Dvorak, B. Bloch, Berim Philhar-monie (Tues, Wed).

Alexis Weissenberg (plano). Cho-pin. Sunbry Hall. (Mon.) (289

9999).
Josef Suk (violin) with Masshiro Saito (piano). Dversk, Handel, Brahms, Janscek, Smetzana. Casals Hall (Tues) (291 2525).
Japan Philharmonic Orchestra conducted by Vladimir Ghiaurov, with Mirella Freni (soprano).
Puccini, Verdi, Bizet, Tchaikovsky. Suntory Hall (Tues) (505

1010). Tokyo Symphony Orchesira. Second Anniversary Gala conce with Mirella Freni, Josef Suk. Dan Tel Song, Roger Wagner Chorale, Suntory Hall (Wed) (505

1010). Classical Lapanese Music. Momo chi Kai (koto). ABC Hall (Wed) (467 3653). NHK Symphony Orchestra conducted by Herbert Blomstedt. Mozart. NHK Hall, Shibtya.

(Thurs) (465 1780).

EXHIBITIONS Paris Carte Musées et Monur

sold in museums and Metro sta-tions, enables visitors to avoid queues at 60 museums and monuments, including the Louvre, Musée d'Orsay and Versailles

Palace.
Centre Georges Pompidon. The
Fifties, taking over Beaubourg
for three months from the
ground floor upwards. Closed
Tue. Ends Oct 17.
Musee d'Orsay. Cézanne, The
Early Years (1959-1872). Closed
Mondays. Ends January 1.
Arteurial, Zeo Wou Ki's retrofractive traces the development spective traces the developmen of an artist formed both by the or an artist intrined both by the ancient traditions of Chinese art and by the works of the Impressionists and of Cézanne, Matisse and Picasso. 9 Ave Matignon, Ends Nov 10, Musée de Chury, Medieval art in Paris. Place Paul-Painlève, Métro Odéon. Closed Tuesdays and lunchtimes

Grand Palais. Vieira da Silva Paris celebrates the 80th birthday of the artist who, while born in Portugal, decided to live and work in France, Closed The, Wed late closing night, Ends Nov 21. Gelerie d'Art Saint Honoré. Still lignet d'Art Saint Honoré. Still Gelerie d'Art Seint-Honoré Still lives in Dutch and Plemish art

in the 17th century, 267, Rus Saint-Honore, Closed Sat, Sun and lunchtimes, Ends Nov 18,

The Gianadda Foundation is showing the second part of treasures on loan from the Sao Paulo Museum. Entitled From Manet to Picasso, it is especially rich to Picasso, it is especially in Renoirs. Ends Nov 6.

Berlin Time Comparison 1968: Thireten Time Comparison took the same painters, spanning three samera-tions, present the East German art scene in the 1980's, Newsca Kunstquartier, Gustav-Mayer Al-Kunstquartier, Gustav I lee 25. Ends Nov 20.

Georg Baselitz, The Mofif. Forty

Georg Resent, Art Hour. For pictures by the German expressionist, born in 1939, from his most recent period. Runsthate Am Wall 207. Ends Oct 36.

Schleswig Holstein Landaum seum. 1,000 years of Russian Art. This exhibition takes as its theme the new alliance between

church and state. Ends Oct 24.

Views The Austrian National Library.
The Arab world in Europe. A marvellous collection of letters The Arab world in Europe, A-marvellous collection of letters and other literary items. Ends. October 16. Hermes Villa. Portraits by the fin de stècle ertists, Gustav Kibni and Emilie Floege. Ends Feb 13.... Albertina. Exhibition of draw. ings by Alfred Hrdlicks, considered to be one of Austria's most

sial artists. Ends

Palazzo Grassi. The Phoenicians. Until Nov 6.

Palazzo dei Diamanii. Treasines from the Ghesto. The mineries of this exhibition comes from the Hobrew museum and symagogue in Prague and annuy of the objects on show were requisitioned by Hitler for his unreal. ised Museum of an Extinct Ra Until January 15. th January 15.

Bologne
Pinacopica Nazionale and Museo
Archeologico, Guido Reni
(1576-1642): A splendid collection
of paintings by the Bolognese mannerist painter, the first to bring the concept of physical beauty into secred art. Until Dec

New York Metropolitan Museum of Art. An exhibition of architecture on paper covers four centuries of drawings including works by Frank Lloyd Wright, Louis Com-fort Tiffany and Arata Isozaki. Ends Jan 8.

Chicago Art Institute: The first major retrospective in 30 years of Paul. Georgain, Endy Dec 14

Continued on Page 17

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SANDEMAN FOUNDERS RESERVE PORT

Sergey Leiferkus

The fluence farthers gave his that proved entirely constincting London recital on Wednessing. The characters and the day. The usual supplies of lyrical identities of Rorodin's superlatives may well run out Igor. Chaffavalky. Tomsky, during this notice, for Mr Lel. Rakhmaninov's Aleko, and otherwise is both an omistandingly ers from Rimaky Korsakov and fine singer and not necessarily the same thing: a complete expert in the voice and pointed with the barest means and medicing. Expectations for Some of the music leadly the concert were pitched high, lacked its crehestra (and the and were answered in every in spate of superbly creative).

even warmer.

He is a formidably emipped singer. The voice is of great beauty, a compact high baritone of classical Russian lineage and definition, with a startlingly wide range of col-our and dynamics. To this is added a platform presence of protean vitality and champleon flexibility, the storytelling gifts of a seasoned raccuteur, and intelligence in abundance. The assurance was that of mastery one soon relaxed in the knowledge that nothing was likely to misfire or maltunction, and that the vocal means and the artistry were each other's absolute equal: rare

Since in the various British or Irish opera houses Mr Lei-ferkus has shown his ability to sing in English, French, Italian and German, one might have expected a programme of mul-tinational character, but there were no regrets that he chose to sing entirely in his native language. The first half was made up of arias, the second of songs, a reversal of tradition Activities of the second secon

Latecomers to this English National Opera revival, watching it on the house IV in the Dutch Bar, will be setzed

by puzzlement. That man scowling under his fright wig must be Doctor Bartolo; but then who is this portly Old. Batrachian, rouged and smirking over his multiple

chins? Baron Ochs, surely perhaps Jonathan Miller has

inckened the plot? Well, no: actually it's the deshing young Count Almaviva himself, in the

person of Jeffrey Talhot, And .

Dr. Miller probably has nothing to do with it, since his

1987 production has been

revived this time by David

take a six-foot-six Mime in

their stride, or a black Marschallin or even a

Pavarotti Rodolfo; but to

match this piece of demented

miscasting one has to go back

to Verdi's first, ruinous

Traviata, a famously fat

soprano who appeared to be dying from the wrong kind of consumption. The sole ground

must be that the Talbot tenor

has some cultivated interest,

being modelled faithfully upon voices beard nowadays only on

voices head nowadays only on cylinders or very old 78s. Indeed, when the head is turned away his timbre evokes a venerable attendation fand in the Collisions it hardly cat-ries in piano ar in low regis-ter); but toward the top it busis a clean, metallic ring, and his articulation aspires credibly to high sivice.

credibly to high style.

to literature....

anair going on between the Graham Johnsen), yet Mr. British public and this particular singler—and if the clamor, in his particular singler—and if the clamor, in his particular singler—and if the clamor, in his particular in his the original accompanion as well. He has a best register of wonderful firmness for a high-baritone; the sable meisucholy of Aleko's Cavatina, which one associates with a Shalyapin Christoff, or Chiaurov, was therefore as natural to him as the high tessitura of the Epithalamium from Rubinstein's Nero (why only two verses?).
After the interval, the closer

focus of the Mussorgaky, Rakhmaninov, and Chalkovsky songs, including the four Songs and Dances of Death, brought marvels of a finer, subtler kind of interpretation. If one had, thought that this singer's ideal occupation was pouring ent-heroic cantilens, the smooth spun, dark-timbred gentlensis of the Rakhmaninov and Chalkovsky encores must have broadened that perception—and there was the mercurial comedy of Mussorgsky's "Seminarist" and the pattertongue Glinka encore to reckon with as well. More, nlease, and soon!

For the ENO, however, vocalisation is not supposed to be its own excuse. Rossint's

prescribes a lot of lively comic

action; Talbot plays up like a campy old trouper (for all I know, he may be just a very mature 28), and the result is so macabre as to throw the opera utterly out of kilter. In fact

none of the physical goings on

here had an assured comic focus had an assured comic focus had any commenced ing excitement generated from the pit. The conductor Stephen Barlow turned many details prettily, but Rossinian brio is

plainly not his forter besides a

tame overture and a tame

storm we had tame crestent?

Act I finale was still plodding when it ended.

Richard Van Allan's "Calma-

nia" number was similarly hobbled, but his Don Basilio

remains a ripe creation. There is a determinedly appealing Figure from the Australian Peter Coleman-Wright (soft-grained, and a touch too win-

some), a stentorian, grumpily funny Bartolo from Rodney Macann and creditable support

by Hibary Western (as Beria), Christopher Booth Jones and Findley Wilson, Nothing would tense Della Jones sensational Rocha, who is no ingenue but

a mature Weish tigress: with her seathing point, similing technique and sany true dance,

she is indomitable, and she very nearly rescues the even-ing

David Murray

1000000

Max Loppert



Jack Palance as an ex-Hollywood set painter in "Bagdad Cafe" with his portrait of Marianne Saagebracht

Picaresque life on the road

are both road movies in thin disguise. A road movie is a wondrously paradoxical thing, its chief characteristic being that it need not keep to the road at all. Deviation and digression are its lifeblood, All we and digression are its medicion. All we need is the odd glimpse of shimmering highway, the odd suiff of dusty tarmac, and then we are happy just with the sense of someone struggling from A to B across vast landscapes, by multiple means of locomotion, and against nigh-impossible odds. The first "road movie," after all, was Homer's "Odyssey." no roads featured at all, just the wine-dark, hero-defying high-ways of the sea.

The Barber of Seville ways of the sea.

Midnight Run is a chase thriller which
gleefully devours the polymorphous vistas
of America, from Chicago high-rises to
Arizona hick-towns, Las Vegas casinos to
Red Indian shanty settlements. The
human dots on this landscape are Robert The Niro, ex-Chicago cop turned down at-heel bounty hunter for a Los Angeles ball-bond company, and his captive Charles Grodin, ex-Main accountant turned balljumping fraud defendant. Grodin stole \$15m from the Mob (giving most of it to charity), then fled to New York on the eve of his trial. Now De Niro must find him and lng him back to L.A. Any and all transport methods available - plane, train, bus, car - may be used. And he must also fight off two rival Grodin-seeking parties hot on the dun's heels: the FRI (Yaphet Kotto) and a fellow bounty-hunter with a grudge (John Ashton).

Forget the plot. It is the pretext for a picaresque councily of character (script by George Gallo, direction by Martin Brest of Beerly Hills Cop), for a trip through the eye-ravishing splendours of American scenery (photography by Donald Thouin) and for De Niro and Grodin to flex blonic acting muscles.

Gradin's self-styled "white-collar" criminal is a delight: playing finicky faddist one moment — lecturing De Mro on smoking, or complaining in one breath of claustro-phobia, agoraphobia and aviophobia (fear of planes) — and D-I-Y Houding the next. De Niro, when not recapturing his sloppery quarry, storms, frets, wisecracks, threat-ens, sulks or lanses into kindergarten quarrels. ("You fied first." No, you lied first"). This is a classic De Niro perfor-mance all ironic alertness in the bird-like cockings of the head, the headlong rhythms of his Little Italy voice. (The appopriatura is as natural to him as to Pocchil). It's a joy to see an actor whose recent acting has had a languid, ringside air about it (The Mission, Angel Beart) leading into the fray again with insights and knosyncrastes whirring.

If Midnight Run is a road-novic of the

serpentine kind — all tail-chasing plot twists and dast-raising double-crosses — Percy Adlon's Bagdad Cafe is that connoissett special, a road movie which stays in one place. Scene: a tumbledown cafe-motel in the Mojave desert. Characters: the spiky-haired, irascible black lady who runs it (C.C. Pounder), her weird retinue

turned amateur artist), and our even weirder tourist heroine (Sugarbaby's outsize Marlanne Saagebracht) who waddles in off the road one day, pitches suitcase and becomes the establishment's resident Spirit of Teutonic Eccentricity.

Spirit of Tellionic Recentricity.

Deaf to the world she has left behind, including the husband she ditched on the road after a quarrel, this Mother Earth from Bavaria sings, performs conjuring tricks, cleans up the place and poses for Jack Palance. While she simpers and strikes goddess poses, Mr P, breathing sonorously and sporting a buccaneer style nuffed-sleeve silk shirt; comes on like puffed-sleeve silk shirt, comes on like Douglas Fairbanks with asthma: a matinee idol grappling with the evening perfor-

> MIDNIGHT RUN George Gallo, Martin Brest

> > **BAGDAD CAFE** Percy Adlon

AU REVOIR LES ENFANTS Louis Malle

THIRD LESBIAN AND GAY FILM FESTIVAL

mance of old age. Around this pair swirl the film's other toothsome curios, including Miss Pounder, who talks loudly and carries, a big shotgun (but has a heart of gold), and her Bach-playing son who thoughtfully ties his baby up before set-tling to practice. (Parents, do not try this

As befits a one-set road movie - the travelling is all "off-screen," the cafe motel a catchment area for life's drifters coming convalence from wanderbust - the plot is seldom still. The characters keep slipping through our fingers (like Grodin's through De Niro's) and the film has a serene and prankish surrealism. Making his first American movie, German writerdirector Adlon, whose fascination with monomaniacs has moved from his sobersuited Proust portrait Celeste to the wackthat there are few tensions as furny as that between a melting-pot society and individuals whose high-definition quirks won't melt to order.

Louis Malle's Au Revoir Les Enfants wants our hearts to melt to order. Mouchoirs out, please, for this autobiographical tale of life in a French Catholic boarding school in 1944, 12-year-old Julien Quentin (Gaspard Manesse) is our Malle alter ego, folding a solicitous wing around mysterious new boy "Bonnet" (Raphael Fejto), who turns out to be a Jewish orphan hiding out from the occupying Nazis.

The good news: Malle has returned to

his native France for this movie, forsaking the alien corn of his ghastly recent Canadian-American ventures (Crackers, Alamo Bay). The best scenes in this darkly tender film, which won the Golden Lion at Venice last year, seem torn straight from the scrapbook of memory. We see and share the brutal and lonely moments of boarding-school life, which can make any sensitive youngster — not just one persecuted for his race — feel like an outsider. We recognize the slapstick energies of boy-hood, punching against the envelope of institutional discipline. (A scripture class runs amok with hilarity and parodic mime at the story of St Simon Stylites atop his pillar). And we goggle at the arcane rituals of school life: here, stilt-walking battles in the playground, treasure-hunt games in a forest prowled by wild boars. These scenes have an oddness so defiant, a particularity so strong that you sense they must be

The bad news: whenever it runs out of the vivid and specific, the film opts for the generic and sentimental. Bonnet himself is chief casualty. As played by Raphael Fejto, he looks like a martyr to history from our first etimate: passive, limpshouldered a ne tooks like a marryr to history from our first glimpse: passive, limp-shouldered, a shock of dark curls framing a radiant-eyed saint's face. The divine light of intelli-gence and sensitivity shines out from him too insistently. (Bonnet also reads works of philosophy in his spare time and plays the plane like Paderewski). In short, any fallible quirks of teenage humanity have been squeezed out of him by a film-maker determined to process a childhood memoir into holy historical writ, haloed by hind-

Worse is to come when the Gestapo and SS enter the movie late on. One draught of stage-Nazi accents and menacing great-coats and we know it is all up, not just with Bonnet but with the movie's moving air of authenticity. Best to savour that while it lasts, plus the film's other minor strengths: Malle's love-hate feeling for his school expressed in photography (by Renchiaroscuro, and the superb portrait of the school's flinty-compassionate head Father Jean (Philippe Morier-Genoud).

In the age of Aids, Clause 28 and other clamorous disincentives to the love that dare not speak its name, the National Film Theatre determinedly mounts its "Third Lesbian and Gay Film Festival." Lasting four weeks from next Tuesday and pack-ing in 20 programmes by 40-odd film-mak-ers, it shows there are still some rebellious people in this world who believe in free-dom of speech, freedom of artistic expres-sion and freedom of sexual persuasion. The films - fiction and non-fiction, long, short and medium — come from lands as diverse as America, Anstralia, Thailand, Israel, France, Canada, West Germany and, yes, even Britain. Quality in plenty: controversy guaranteed: book now while such films can still reach our screens

Nigel Andrews

Mrs Dot

PALACE THEATRE, WATFORD

The Watford Palace opened in 1908 and has unearthed an early Somerset Maugham farce dating from the same year to celebrate its 80th birthday. It proves an amiable piece of Edwardian frippery that Wendy Toye has staged with no concession to modern expectation.

Mrs Dot is one of four plays Maugham had presented in the West End in 1908, the year of his breakthrough as a drama-tist. Lady Frederick is better known, but as usual Maugham made no great claims for any of them. They were con-structed to suit managers' requirements and popular taste and written, as he said in the 1981 preface, to be produced rather than read.

Mrs Dot was the biggest hit of the four, thanks to Marie Tempest playing the lead, a brewer's widow who has set her sights on Gerald Halstane, a become a bespoke young heir to the peerage and a reasonable for-tune. Mrs Dot has to divert Gerald from Nellie Sellinger and her battle-axe mother while simultaneously juggling with the relies described in with the polite devotions of a bachelor cynic and young Fred-dle, her secretarial nephew. It is interesting to see how Maugham treats this light-weight manipulative successor to Shaw's Kitty Warren and Pinero's Paula Tanqueray, a woman with less of a past and

woman with sess of a past and more of a future. Coy Wildean echoes abound, too, but as Anthony Curtis noted in his invaluable study of Maugham, there are clear indications here of where Maugham would take his marital comedy of sudden passion and elopement in the subtler ambivalence of *The Cir*-Freddie and Nellie make a

dash for it after tentative and very funny approach work, and Mrs Dot triumphantly wields a poker and kitchen knife after degutting the engine and rip-ping the tyres of another get-away vehicle. Gerald thumbs his nose in paroxysms of laughter at his thwarted moth-er-in-law while the cynical Blenkinsop, played with meticulous disdain by Roland Curram, shrugs off Mrs Dot's romantic assault with the reflection that even in the

make a dead set at him. This comic tumult is well organised by Wendy Toye on a riverside garden set by Michael Annals of escapist greenery, turreted white walls and rambling pink roses. The mood of nostaigle artificiality is enhanced by plerrot-costumed stage hands changing the scenery in marching time to wheezy old Edwardian music

hall songs.
This might have proved unbearable without Janet Dale as Mrs Dot, bustling on in snug-fitting turquoise and feathered hat to organise her destiny and dispose of the opposition ("I'm more amusing, I'm better dressed, and I've got five motor cars"). She appeals because, unlike every-one else on stage, she is unmotivated by mercenary consider-ations, and Miss Dale, on sparkling form, exudes an unbridled appetite for farcical

sport. Even at this early point in his career, Maugham's structuring is near faultless. Miss Toye is wrong, therefore, to dispense with a second inter-val. Madeleine Newbury is a Bracknellish Lady Sellinger, Gordon Lovitt a schemingly twittish Freddie, and Steven Mann as Gordon a stiffly eye-popping beneficiary of his cousin's misfortune at the North West frontier in India.

Michael Coveney



Moses und Aron

FESTIVAL HALL, RADIO 3

The South Bank Centre's tion for the soloists. The long Schoenberg celebration is upon us, and "The Reluctant Revolutionary will thread its way through orchestral and cham-ber concerts until January. The series was launched most memorably on Wednesday by the BBC Symphony Orchestra, when John Pritchard conducted a concert performance

The opportunity to hear everything Schoenberg preserved is an immensely valuable one, and the survey promises some fascinating events.

Moses was not, in theory, likely to be one of them; few operas can receive more concert performances in propor-tion to its stagings, and few need their tendency towards oratorio encouraged less. But much of Pritchard's account created genuine theatricality - after a careful, unpromising opening scene, dramatic energy began to course

through every set piece.
The electricity was generated above all by vivid orchestral playing - superb heavy brass, thrillingly precise wood-wind - and full blooded choral work from the BBC Singers, which laid the secure founds-

and intricate scene which closes the first act, a minefield of interlocking ensembles and solo lines, never lost its shape or direction and the tension of the second act was sustained even in the aftermath of the Dance round the Golden Calf and the closing passage, so often an anticlimax, had a gen-uine feeling of dramatic suffi-

Heading the cast were Gunther Reich and Philip Langridge, arguably the finest contemporary interpreters of the title roles. No one handles the "inarticulate" Sprechgesang given to Moses with greater comprehension, or squeezes from it more expressiveness than Reich, while after recording the opera with Solti and appearing in last year's Salz-burg production Langridge now has the full measure of Aron, able to complement suave cunning with sensual appeal. All the lesser roles were vividly taken, with Gregory Reinhart's Priest, Penelope Walmsley-Clark's Girl and Neill Archer's Young Man in the first act models of uncom-plicated directness.

Andrew Clements

Continued from Page 16

October 4. Closed Mondays.

Hara Museum of Contemptings by Tomic Chicken, now regarded as one of Latin America's livelines abstract artists. Closed Mondays.

National Minseum of Modern Art. Genealogy of Realism. Oil pointings from the Medi Stra. (1968-1912). Closed Mandays.

London

Imperiors of the Victorial Parties of the Majesty's Special Cult., emotionally nourishing new musical by Andrew Lloyd Webber (839 2244, credit cards 379 6131/240 7200). Follies (Shaffesbury). Earths Kitt and Millicent Martin now decorate Mike Ockrent's strong revival of Sondheim's 1971 mustcal, in which poisoned marriages nearly undermine an old bur-lesque retraion in a doomed thea-

returns to the stage after an absence of 12 years in a 1950s farce that prefigures the capture of old England by the spive and

Michael Frayn and performed in various styles by Rowan Atkinson, Timothy West and Cheryl Campbell. Slightly rewarding, intermittently funny (836 6404, CC 379 5283). Sugar Bahies (Savoy). Mickey Rooney and Ann Miller repeat

New York Cats (Winter Garden). Still a sell-out, Trevor Nunn's produc-tion of T.S. Eliot's children's poetry set to music is visually startling and choreographically feline (239 6362). A Chorus Line (Shubert). The longest-running musical in the US has not only supported Joseph Papp's Public Theater

Starlight Express (Gershwin). Those who saw the original at the Victoria in Lendon will

1988 is a somewhat pretentious and obvious meditation on the (541 3131).

October 7-13

Opera House). The touring com-pany of the international hit of last season brings to Washington the historical sweep of Victor. Hugo, set to music and an insis-tent contemporary beat, Ends Oct 15 (254 5770).

Sleuth (Eisenhower). Stacy Keach and Maxwell Capitleid star in the mystery pitting a writer against a mild-manner writer against a min-mannered travel agent who's stolen his wife's affections (254 3679). Driving Miss Daisy, Julie Harris stars in the Pulitzer Prize winning play about the black chauffour and his elderly, understanding with the start. ing mistress as the South undergoes vast changes that can-not help affecting them. Risenhower, ends Nov 12, (254

3670).Tokyo

Kabuki (Kabuki-za) Perfor-mances at 11am and 4.80pm, The morning programme includ Moritsuna Jinya, a play set in an age of civil strife – a popula actor's vehicle, since the role of Moritsuna is considered one of the finest in kabuki. In the afternoon: Kagamiyama Goni-chino Iwafuji. This play is based on a scandal that occurred in court shortly before it was writ-ten but, in typical kabuki fash-ion, transposes it to a remoter age. It is noted for its spectacle scattered bones rising up to form a complete skeleton and a beautiful mansion transformed into a haunted house. Excellent programme and earphone com-mentary in English. Tickets also available for a single act. For details, enquire at the theatre

Aoyama Theatra. The 35 Steps.
Musical revue by the Shiki Theatre Company. Extracts from
major Shiki productions, from
West Side Story to Phantom of the Opera (0120-489444).

SALEROOM

Russian links renewed

Christie's was peeved when Sotheby's snatched the initiative and held the first ever auction of contemporary Soviet art in Moscow in July. It raised 22m and was judged a success, except by the artists who did not get the hard currency they were promised for their pic-

The chagrin of Christie's was built around the fact that it had always had strong Russian links. In 1778 founder James Christie negotiated the sale of Horace Walpole's pictures to Catherine the Great, and in 1967 the Soviet Government disposed of a massive 1,742 piece banqueting service through the saleroom for

Yesterday Christie's reas-serted itself and held a massive Russian sale of almost six hundred lots, ranging from 18th century Imperial furniture to post-Revolutionary propaganda. The morning sea totalled £652,779 with 16 per cent unsold. There was considerable interest in the propaganda porcelain of the 1920's when blank Imperial factory plates were decorated with revolutionary designs.

A dish painted in 1921 by Aleksandra Schekotikhina-Pototskaya, showing a bellringer backed with the slogan "Long live the 8th Congress of the Soviets sold for £20,900 as against a top estimate of £6,000. Surprisingly the most important plate, a dish inscribed Antographs of Activists of the Great Russian October Revolution" was unsold at \$7,000. It carries 17 names, headed by Lenin, at least five of whom were purged by Stalin.

A pair of silver mounted nephrite two light candelabra by Fabergé, made around 1890, were well above target at 237,400 while a trophy shaped silver samovar on a stand made in 1845 for a lady in waiting at the court of Nicho-las 1, trebled its estimate at £15,400. The main casualty in the morning session was an early 19th century needlework carpet, 146 inches by 122 inches, with floral scenes, which was unsold at £20,000.

In the afternoon Malevich's rare lithographic book "Supre-matizm. 34 Risunka", produced in 1920 with 34 drawings, was inside its estimate at £60,500, and eleven zincographs by El Lissitzky, based ion the Tale of the Goat, almost doubled their estimate at £30,800.

A diamond hair ornament made by Cartier in London in 1930 sold for £88,000 at Sotheby's. Hair ornaments by Cartier are very rare. Sotheby's coin sale topped £1.1m, a record for a mixed owner collection at this auction room, with around 10 per cent unsold.

Antony Thorncroft

Salzo Grant Tis Tie P

The second second

Labour Products

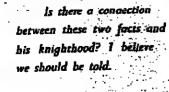
المناهد عد المستشك

OC BAS

siness







drink nothing else".



What put the Sir

in Sir Walter Scott?

It has been commonly assumed that Sir

Walter Scott was given his knighthood for services

However, there is a school of

thought which is puzzled by his constant

publicising and praising of The Glenlivet

The Glenlivet® was also the

single malt whisky. It is mentioned

Monarch of that time's favourite

whisky. It was said "he would

frequently in his writings.

ARTS GUIDE

Tokyo

Tokyo National Museum. Japa-nese Archaeology: History and Achievements. More than 300 exhibits tracing the history of archaeology in Japan. Begins October 4. Closed Mondays.

THEATRE .

London

Besy Vizine (Garrick). Transfer of King's Head revival of early Noel Coward, same period but lesser vintage than Hay Fever, but worth seeing (379 8107). South Pacific (Prince of Wales). Average, traditional revival of the great Rodgers and Hammerstein musical, with Gemma Craven failing to wash the baritonal kmile Beicount out of her hair 1839 5969). (839 5969). The Phanton of the Opera (Her-

tre (379 5899).
Hapgood (Aldwych). New Tom
Stoppard mines esplonage,
romance and higher physics.
Pelicity Kendal is the eponymous

intelligence agent, Roger Rees and Nigel Hawthorne in elegant stipport (356 5404, credit cards 378 6233). The Admirable Crichton (Hay-

merket. Bex Harrison and Stward Fox in enjoyable revival of Barrie's imperishable comedy of class berriers and reversals on a desert island (930 9832, CC 378 4440. Dry Rot (Lycic). Brian Rix

opportunists. A genuine classic (437 3636).
The Sneeze (Aldwych). Right short Chekhov pieces — four yandevilles, four early stories — translated and adapted by

Broadway roles and exhibit sta-mins and star quality in a mixed beg of coarse buriesque sketches (836 8388).

for eight years but also undated the musical genre with its back-stage story in which the songs are used as auditions rather than

emotions (239 6200). Les Misérables (Broadway). The

magnificent speciacle of Victor Fugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama (239 5200).

barely recognise its US incarna-tion: the skaters get good exercise on the spruced-up stage with new bridges and American scen-ery to distract from the hackery to district from the mack-neyed pop music and trumped-up, silly plot (585 8510). Me and My Girl (Marquis). Even if the plot turns on fronts min-icry of Pygmalion, this is no classic, with forgettable songs and dated leadenness in a stage full of characters. It has nevertheles proved to be a durable Broadway hit (947 0033). M. Butierfly (Eugene O'Neill). The surprise Tony winner for

true story of the French diploms whose long-time mistress was a male Chinese spy (246 0220). Speed the Plow (Royale). David Mamet applies his bitting surcasm and ear for the exaggerations of American language to Hollywood, in this screeningly furny and well-plotted expose of the film industry. (200 8200) film industry (239 6200).
Stranger Here Myself (Public).
Angelina Roux performs two
decades of Kurt Welli's songs
in a one-woman show covering the composer's careers in Berlin, Parls and New York (598-7100). Phantom of the Opera (Majestic). Stuffed with Maria Bjornson's gilded sets, Phantom rocks with Andrew Lloyd Webber's haunt-ing melodies in this mega-trans-fer from London (239 6200).

Washington Les Misérables (Kennedy Center

BRACKEN HOUSE, CANNON STREET, LONDON EC4 P4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Friday October 7 1988

Waiting for Sir Godfray

into the UK Government's handling of the Barlow Clowes which for individual savers has been the worst financial scandal to hit the UK in years - should at last be published in the near future. The appointment of Sir Godfray Le Quesne to look into what had happened took the political heat off both the Department of Trade and Industry and the Government when the magnitude of the potential losses became clear in June, and ministers have en able to use the inquiry as a shield ever since. Unfortu-nately, though, the probability is that the appearance of Sir Godfray's report will not even mark the end of the beginning

of this grim story.

There are several reasons for this gloomy view. One is that the detailed terms of reference for the investigation are nar-row in scope. The inquiry is limited to events which took place after the beginning of 1983, which means that revealing episodes in the company's early history will be omitted, and it has been strictly con-fined to the role of the DTI. The investigation was made on a non-statutory basis; civil ser-vants were not required to give their evidence under cath, and were not granted immunity from further disciplinary action. The list of interviewees has apparently been kept

Excuses for inaction

In the circumstances, it would be surprising if Sir Godfray's report turns out to be much more than a dry account of a limited sequence of events, without strong conclusions. In a strict sense, it may be argued that the real problems did not come within the purview of the British regulatory authorities at all, since most of the money that has been lost was invested

There are other excuses for inaction. A rapid turnover in Secretaries of State and junior ministers means that no one in the Department now can be held ultimately responsible for authorising Barlow Clowes. And the weaknesses in inves-tor protection legislation which allowed so many private indi-viduals to put their money unknowingly into what turned

vices Act. The new regime sets higher standards for entry into the investment business, provides for continuing supervision of the way firms behave, and poses much stricter limits on offshore fund managers. The firm could not have oper-

ated in the way that it did under the present system.

Complacent approach

But Lord Young, the present Secretary of State, cannot expect to get away with such a complacent approach to the problem. Several questions stand out among the many that he will have to answer. To what extent can responsibility for the offshore fund, from which clients are likely to lose as much as 40 or 50 per cent of their money, he imposed on the Government because of the way that it gave its ble the onshore business? Could the Department have stopped the offshore fund being mar-keted in the UK? It had no direct powers of control, but would surely have intervened if it had known that the money was being diverted into a string of risky ventures. How far should it have relied on the competence of independent auditors — and how far in turn should those auditors be held responsible for what hap-pened? Who should be held to account for the low standards of the investment intermedi-aries who channeled so much of their clients' money into so dodgy an enterprise without asking more questions? Even if the Department

turns out to have been guilty of gross negligence for licensing the onshore fund, it would be liable for only a small amount of compensation — and there would be no case for any kind of ex gratia payment. A messy period of litigation seems inevitable. One possible course of action might be for the Government to make an interim payment to the victims, many of whom are near interim payment to the vic-tims, many of whom are pen-sioners, and then seek to recover any shortfall through the courts. In any event, Lord Young would be doing the vic-tims and the general public a service if he made it as clear as possible where he believes the responsibility for this affair

Burden-sharing in Nato

THE DEBATE about the sharing of their common defence burden between the US and the European members of Nato, which has intensified with the approach of the Amer-ican presidential election, is as old as the Atlantic Alliance itself. The urgent need to find a solution in 1988 has more to do with the domestic economic situation in the US than with the actual contributions made by Washington and its European allies to Nato. The large US budget deficit

will almost certainly require President Reagan's successor to trim defence spending, particularly given the concern that Congress has always shown about the burden-shar-ing problem. Mr William Tafi, the US Deputy Defence Secretary, once again underlined concern to his partners at headquarters in Brussels on Wednesday and will be doing so again during a Euro-pean tour over the next week.

Vital negotiations

Though, in the past, similar American warnings have tended to be ignored, the European affies as a group appear to be taking Washington more seriously this time and are fully associated with a study on burden-sharing due to be submitted to Nato Ministers by the end of the year. There is a common realisation that, on the eve of vital negotiations with the Warsaw Pact on conntional arms cuts, the unity ventional arms cuts, the unity of the Alliance must be preserved. Indeed, even the threat of a unilateral withdrawal of US troops from Europe before an agreement is reached with Moscow and its allies on mutual conventional reductions, would seriously weaken Nato's negotiating position.

That said, there is no reason, either, why the US — and Congress, in particular — should be allowed to distort the debate in the way it has done. Mr

in the way it has done. Mr Taft, once again, appears to have put most of the emphasis on the proportion of GDP devoted by member countries to defence. He has pointed out, rightly, that the US spends 6.6 per cent of its GDP on defence, about three times as much as Italy, Denmark and Canada,

and has proposed that all mem-ber countries should allot at least 3 per cent of GDP. However, as many defence experts on both sides of the Atlantic have pointed out, Nato "inputs" and "outputs" cannot be judged according to GDP criteria alone.

When the measure is the number of trained troops and their equipment, the European contribution to the common defence effort is impressive.

Heavy costs The fact is that 90 per cent of

Nato's manpower, 85 per cent of its tanks, 95 per cent of its artillery and 80 per cent of the combat aircraft at present stacombat aircraft at present sta-tioned in Europe are provided by the European members of the alliance. In peace time, the Europeans have some 3.5m men under arms and the US 2.2m, of which only some 330,000 are based in Europe. After one month of hostilities, 7m men could be mobilised by the European forces, compared with only about 3.5m by the US. A country like West Ger-many, which acts as host to thousands of military exercises and hundreds of thousands of aircraft sortles every year, aircraft sorties every year, bears more than its fair share of "hidden" costs, while Britain and France have shouldered the heavy cost of developing and modernising their own

and modernising their own nuclear forces.

Nor can anyone be in any doubt that the US is in Europe not only to defend the Europeans. Though its commercial and financial interests are turning Washington's attention. tion increasingly towards Japen, China and other parts of Kast Asia, the defence of Europe is still likely to rank as a primary US interest for the foresceable future.

For all these reasons, the debate about burden-sharing must not be allowed to degenerate into squabbles about numbers. A transatlantic slanging match and controver-sial actions like the European Commission's plan to impose tariffs on military imports from outside the Community can only jeopardise the attainment of what remains the common goal: ensuring the secu-

FINANCIAL TIMES Robert Graham considers what will follow General Pinochet's defeat in Chile

ictators are not in the habit of being voted out of office. The defeat of General Augusto Pinochet in Chile's presidential plebiscite thus creates a remarkable, and probably unique, precedent. With the regime opening itself to international scrutiny, Gen Pinto international scrutiny, Gen Pin-ochet could not have committed polit-ical suicide in a more public manner. The rules of the plebiscite may have been set by the military junts; but the vote process was clean and the result cannot be easily challenged. This means Chile, where political activity was frozen by the coup which over-threw the populist government of the late Salvador Allende in 1973, has now been a commission and delicate transle begun a complex and delicate transi-tion from dictatorship to democracy, belatedly following its South Ameri-can neighbours Argentina, Brazil,

Bolivia and Uraguay.

The process will be extremely hard to stop. Indeed, the principal issue now is the speed at which the transition takes places. This will depend upon the military's willingness to make concessions the strength and upon the military's willingness to make concessions, the strength and unity of a fissiparous opposition movement and the fate of Gen Pinochet himself. Although international pressure on the Pinochet regime has proved relatively ineffectual to date, the new circumstances suggest that this too could be an important factor forcering a more readd transition.

favouring a more rapid transition.

A period of political uncertainty is A period of political uncertainty is therefore in prospect. Nevertheless, Chile today is not in a radical mood. A majority of the 12.7m population is enjoying the very real benefits of five years of sustained economic growth. Few Chileans wish to put the clock back to the chaos and uncertainty of the Allende era. Gen Pinochet dangled in front of the electorate the spectre of such chaos if the vote were to go against him. His defeat indicates that Chileans believe they are mature enough to secure a stable transition.

The size of the opposition's victory—on latest counts gaining 54 per cent of the vote—should act to cool the wilder anti-Pinochet elements. A substantial defeat by more than 65 per cent would have encouraged the left to make demands that might have alarmed the military and destabilised the country. As it is, the margin is sufficient to be convincing yet narrow enough to engender a sense of national reconciliation, although Gen Pinochet has refused so far to countenance any form of compromise with therefore in prospect. Neverthe

nance any form of compromise with

The vote was fundamentally against the person and style of the 73 year-old general. The month-long plebiscite campaign exposed him as ageing, vituperative and an improba-ble figure to lead one of the most

Political activity, which has been frozen since 1973, has now begun a complex and delicate transition from dictatorship to democracy

sophisticated societies in Latin American virtually through to the end of the century. Even some of his closest aides were exasperated by his poor performance, the crude nature of the anda and above all his determination against much considered advice from within the military and the business community — the two pillars of his support — not to let a consensus candidate stand.

A consensus candidate, even though a *pinochetista*, would have stood an infinitely better chance of whoming. It was enormously risky for the general, who had never courted popularity, to expose himself to a pop-ular vote. The right in Chile has



Recovering a lost democracy

never mustered 50 per cent of the vote. Indeed, it could be said that, even allowing for the regime using all the apparatus of the state to secure victory, it was an achievement to

victory, it was an achievement to obtain such a high percentage of the vote after 15 years in power.

Gen Pinochet has only himself to blame for losing, it ranks as one of the classic examples of a Latin American dictator being blinded by the arrogance of power. He believed his own propaganda and trusted the complacent findings of the regime's dubious opinion polls. A striking feature of the campaign was the consistent discrepancy between the pro-Pinochet polls and those of the opposition, polls and those of the opposition, polis and those of the opposition, which both gave good margins in their respective favour. Someone had to be wrong and it seems the large number who showed up in the polls as undecided had all along decided to vote against Gen Pinochet.

The opposition parties are committed to shortening the 18 month period to which Gen Pinochet is constitution.

in which Gen Pinochet is constitutionally entitled to remain as president. In September, the 16 parties opposing him stated in a common platform: "We want a rapid and orderly transition to democracy on the basis of a broad national consensus which embraces all the political, institutional and special forces in the country and that respects each and everyone's legitimate interests."

The military on the other hand, which has formidable powers under the 1980 constitution, wishes to follow the 1980 constitution, wishes to follow the legalistic path. In theory Gen Pin-ochet is permitted to remain in the presidency until March 1990, calling parliamentary and presidential elec-tions in December next year. Thereaf-ter the military will continue under the constitution to retain an effective

power of veto, especially over vital legislation such as reform of the con-

stitution.
Sticking to the letter of the consti-tution has to be balanced against the uncomfortable reality that Chile is now saddled with a bime-duck admin-istration; and furthermore that the constitution was designed in the bellef that a regime candidate would

The defeat of Gen Pinochet, how-ever, immediately removes both his mantle of anihority and undermines his claims to legitimacy, creating a power vacuum. At the same time, many infinential Pinochet supporters in the military and business commu-nities are unlikely to forgive his fall-ure, and will be seeking to preserve as best they can their own interests. These may not necessarily coincide with those of Gen Pinochet himself. Although supreme commander of the armed forces, he is likely to become increasingly a hostage to a more collegiate decision-making process within the military.

One of the regime's supporters closely connected with the military commented before the vote: "If Pinochet loses, the military will put the survival of the military establishment and the preservation of unity above the fate of an individual."

This unity is bound to come under pressure over how to deal with the opposition. A small hard-core within opposition. A small hard-core within the army is believed to support an interventionist approach, resorting to the reintroduction of emergency powers in an attempt to prolong the status quo ante the plebiscite.

But this element is a minority and the opposition so far has demonstrated that it will do the maximum to avoid providing an excuse for inter-

vention. In this respect, the restrained reaction to the pleblacite result on the streets of Santiago indicates that the political parties have a measure of control over their supporters and that people in general are aware of the dangers of a break down in law and order justifying military intervention. The army, although the most pow-erful service arm and the one from which Gen Pinochet enjoys the most unqualified support, has its political americae. Officers know that negotiations have to begin with the civilians, no matter how distasteful they may be. One of their main concerns is to ensure the politicians do not insist on a parish of forman rights their fire. a series of human rights trials for abuses committed under Gen Pin-ochet. The para-military combiniers and the navy for their part are more anxious to withdraw from direct

antions to withdraw from direct involvement in politics and running the country. The opposition's political platforms, which must now become the banchmark for their future conduct, fully recognises the role of the military. The transition must take place on the flatist of agreement with the Armed Forces and the Security Forces. In avoid an institutional Forces to avoid an institutional and legal vacuum." Only with their consent can there be a peaceful negotiation of the constitutional iss

The constitutional issues cannot be ducked for long since the law govern-ing political parties is highly restrictive, excluding the communist party in particular. The Communist party in particular. The Communist Party of Chile, the largest in Latin America, holds the key to the activities of the underground grouping, the Manuel Rodriguez Patriotic Front, which carried out the abortive assassination alternat on Gen Pinochet in 1986. The Front agreed to guaranted the relations Front agreed to suspend its sabotage

paign.
The principal difficulty facing the opposition is going to be the varied nature of the groups that have made up the campaign against Gen Pinton and the campaign against Gen Pinton Company of the campaign against Gen Pinton Company of the Company of th nature of the groups that have mane up the campaign against Gen Pinochet. They range from disalinstoned former Pinochet eupporters in the centrist Christian Democrats through to elements of the Socialists on the left. The opposition has to maintiful its unity in negotiating a transition with the military. Yet at the sains time the politicians have to prepare for what could be an extremely limit fought seneral election for a new parallement and for the presidency.

Their record of unity has been poor, divided as much by personalities is ideologies. However, since political activity has only begun to be legalised in recent months, the opposition can scarcely be expected to be well organised. By guizral consent it was considered better, first to fight to defeat Gen Pinochet Thiough this tactic has been vindicated, it leaves a lot of questions open as to how they next

questions open as to how they next proceed. They could opt to pick a shadow president or retain the cur-rent leadership front of the "no" can-

rent leadership front of the "no" campaign.

In the final stages of the campaign, Mr Patricto Alwyn, the Christian Democrat leader, emerged as the principal opposition spokesman. The Christian Democrats are probably the largest single party and the essest opposition partners for the military to deal with However, the most charlismatic figure to appear has been Mr Ricardo Largos, the Socialist leader, who has been trailed as a Chilean version of Mr Felipe Gonzalez in Spain. These two men are likely to become the most influential opposition figures in the coming weeks.

The immediate concerns will be political rather than economic. Indeed, the opposition kept exceedingly quiet throughout the campaign on economic political, reshaing that the structural reforms carried out under Gen Phochet had provided

the structural reforms carried out under Gen Pinochet had provided Chile with the best managed economy in Latin America. It is likely that the opposition will attempt to raise minimum wages and devote more funds to social expenditures, but the nature of the market economy now in place has not been fundamentally questioned. The same applies to foreign investment. It is possible that some large strategic projects like the giant Escondida cooper development will be scrutinised but opposition economists accept the need for an export-orien; tated economy innanced by foreign investment. Speculations about economy policy

are far down the road today when Chile is grappling with the new found

The vote itself was fundamentally against the person and style of ... the 73-year-old general who was exposed as an ageing, vituperative and improbable figure

idea of recovering one of the finest traditions of democracy in Latin America, surrendered when Gen Pin-ochet took over. Although events may move fast, it is worth remembering that recent transition periods in the region have proved long. In the case of Argentina, the military disgrace of losing the Falklands war, the catalyst for change there, occured in mid-1982 but the first elections were not held until 18 months later. The transition in Druguay book almost two years, while in Brazil the military handed over power in 1985 and still the president has not been directly elected and a new constitution has only been abureved this week. approved this week.

Pleasures of the night

■ Watching American politics on television in the middle of the night is an addiction, yet I do recommend it. The live coverage carried by BBC2 of the Republican Convention or the Bush-Dukakis debate show US politics as seen by Americans. No amount of summarising or editorial comment can catch up with it. It was the same last right

with the vice presidential can-didates, Senators Quayle and Bentsen. The interviewing techniques are awful, which is unusual for American television: there is very little direct

sion: there is very little direct exchange between the candidates. But you do at least learn what is bothering people. For example, the programme left no doubt that drugs are now almost the key political issue, and the growing hispanicisation of America has also become a top talking point.

Most striking of all, however, was the inability of Senator Quayle to relax. The man seemed petrified. He was asked repeatedly what he would do if he suddenly became President. The answer is surely: take stock of the circumstances of the time, talk to Congressional leaders and Senators and try to do your best. Quayle was incapable of giving it.

Minorco man

■ Bank of Nova Scotia's presence in the syndicate which is helping to finance Minorco's hostile bid for Consolidated Gold Fields should not come as a complete surprise. Cedic Ritchie, the BNS chairman and the longest complete ships and the longest-serving chief executive of a Canadian bank,

has been a Minorco director for nearly 10 years. The bank, which is a top-tier gold bullion dealer, used to be a Canadian distributor for the South African Krugeriand

OBSERVER

gold coin. It is also a major presence in the flourishing gold loan market: providing mines with financing against the security of future gold out-put. As such, it participated earlier this year in the biggest gold loan ever arranged for was the New York-based New-mont Mining — owned 49.7 per cent by Consolidated Gold Fields.

Jolliffe's wash

M You can get into difficulties if you are careless with the automatic car wash, as many readers will no doubt know. According to Sir Anthony Joiliffe, however, only one in every 16,000 car wash users

ever submits an insurance claim, for an average of 245. Jolliffe, a former Lord Mayor of London, is now chairman of Walker Greenbank, which di walker Greenbank, which claims to operate 80 per cent of the automatic car washes in the UK through its Wilcomatic subsidiary. They range from the humble forecourt hose at 50p a squirt to the mighty wash-wax and polish variety. Only about 10 per cent of the country's generate forecourts. country's garage forecourts
have car washes, but Jolliffe
says that the percentage is
growing. And so it should, coupled with an improvement in

Ancient Brit

Beric Watson, the managing director of Waddingtons Games, the Leeds-based manu-facturer of Monopoly and a bost of other popular board games is used to being addressed as Derek by con-fused telephone callers. He blames it on his mother

for naming him after one of Bodicea's lieutenants in an obscure work of fiction called



"Don't think about the price — have another tumbler."

Beric the Briton by A G Henty. Watson, who amounced this week that his company was gearing up for new acquisitions, hopes to have more luck than his namesake. "The original Beric," he says, "was singularly unsuccessful and was carried off to Rome in chains."

Real City man ■ There appear to be no collec-

tive records of people who have done 60 years in the City, but it is clearly a dwindling band. One man who has is Charles Emery who calcurates his 60th anniversary today and says that he has no intention of retiring yet. He thinks that there are perhaps five, at the most 10, others like him. Emery joined Laing & Cruickshank in 1928 and

enjoyed playing games for the Stock Exchange before the war. He represented it at football, tennis and running. Once he did the London to Brighton walk in 13% hours, though the winner, he says modestly, did it in eight, in those days,

he remembers, there was at least as much Stock Exchange sport as today, but always out

days.

Now 78, Emery does private client business at Teather & Greenwood. "I'm no gambler," be explains. "I work mostly on British equities which I understand." But he does have bullish views about the future. At measure the markets are At present the markets are marking time. There is plenty of scope for them to start mov-ing up. That could happen between now and Christmas, he says. Then there could be two or three expansionary years before the next general election, at which time Emery may still be around advising his clients.

Spain's convert ■ Institutional Investor, the

transatlantic magazine that transatlantic magazine that has a fairly high reputation in the financial world, may have won a new reader. Mario Conde, the 40-year-old chair-man of Banco Espanol de Cre-dito (Banesto). — the number two bank that recently merged with womber one Spanish with number one Spanish bank, Banco Central - has discovered the publication.

discovered the publication.

At the opening of a Goya exhibition yesterday that has been partly funded by his bank's pesetas, Comie was simiously asking a friend whether he though that the Institutional Investor was important. It was a completely serious enquiry. Told that some people regarded it as a bible, Conde heaved a sigh of relief and produced a cutting from the magazine in question which profiled him as Banker of the Year.

"So this is serious", he said.

"Thank gootness",

Economic clue ■ A reader who is obviously fond of crossword putales points out to us that an ana-gram of "trade deficit" is "ie daft credit"...



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mity of what has happened to Britishy's Labour Party this week, you have to give Mr Ron Todd the benefit of the doubt.

As General Secretary of the Transport and General Workers Union (TGWI). Mr Todd commands great minemed in the trade union world, great power in his own union and a way impostant degree of both power and infinemes in the Labour Party. There was a fine when the incumbent of his present post was also a leading national figure, on a level with, or above the Prine Minister himself. Those days are gone. Yet Mr Todd cannot help but recall them. He looks back to Jack Jones and Frank Cousins in both reverence and awe. Cousins in both reverence and awe. Cousins in both reverence and awe. (He would not have measured up to the top of Krnest Bevin's socks, but that is another matter.) Mr Todd is, however, too intelligent to delude himself about the present status of even the leader of the largest of the trade united status, is, by comparison with his illustrious predecessors, relatively humble. B CALL STORY

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Yes I did say intelligent. This assumption about Mr Todd is the first

Yes I did say intelligent. This assumption about Mr Todd is the first step towards giving him the benefit of the doubt. His apparently permanent scowl, and his somewhat inarticulate diction, unfortunately hide what is by definition a brain at least agile enough to win the top post in his Byzantine usion and, by reasonable supposition, a mind of fair quality.

Let us grant, further, that Mr Todd is an honest man who holds certain principles dear. The entremely angry court around Mr Nell Khnnock, whose major speech to the party conference was savaged by the TGWU leader was savaged by the TGWU leader was savaged by the TGWU leader within hours of its delivery on Tuesday, tells itself that he is motivated by personal pique. He wishes, they say, to be treated with the deference due to his predecessors. There may be some small troph in this, but we will profit more from assuming that his motives are not base.

The union that Mr Todd manages has supported miliateral nuclear disamment for many years. It has long propounded the old Labour notions of nationalisation and socialism. Its officials think that it has done this thirds democratic discussion, since

nationalisation and socialism. Its officials think that it has done this through democratic discussion, since up to a thousand delegates meet every other year to debate policies; perhaps a nurther 60,000 or so active unionists are involved in the delegate selection conferences that precede the main event—a tiny fraction of the 1.25m members. Ent Mr Todd is paid to run an organisation. His thoughts and actions are shaped accordingly. A suspicious executive, itself divided into factions, watches him closely.

Put all this together and it makes some kind of sense for the TGWU leader to cast his union's 1.25m bought votes for Mr Kinnock's social democratic policy papers, as the right

democratic policy papers, as the right and some sort-left loyalists in his and some sort left loyalists in his unfair to put much of the blame on to follow that vote with a speech that reaffirms the basic socialist principles espoused by the left factions that exert so much influence on his executive. That is what he did on Tuesday.

POLITICS TODAY: Joe Rogaly

Why Ron Todd spoils the party

He helped the man he thought most suited to lead Labour, but he tried to show that he had not sold the pass. The cockrosci in the comment is equally clear. Mr Todd's behaviour may be nearly rational in TGWI terms, but it has probably destroyed any shim chance Mr Kinnock may have had of scoming up the social democratic vote in Britain. For the average voter takes only a passing interest, if any, in party conferences. The flecting impression such a voter will have gained this week will have been of a party that is still in chaos: Kinnock saying one thing; Todd snother. Worse still, many people will

Kinnock saying one thing, Todd another. Worse still, many people will not unreasonably draw the conclusion that a union boss is pushing the Labour Party around once again.

Slightly more interested voters will ask, what is Labour's defence policy now? The answer after yesterday afternoon's vote is that the Labour executive under Mr Kinnock supports unlateralism, bilateralism, and multi-lateralism and will anyway not make up its mind for a year. Meanwhile Mr Todd, for one, remains staunchly unlateralist, while the conference is just still thinking and voting his way. The Kinnockites will fight on for their position. No bets on the winner.

Trusting voters who peer even closer may say: "Very well we'll wait a year, but what about taxee?" They will see that the upper levels of income tax will be raised, and a wealfh tax stuck on top. On the poli

income fax will be raised, and a wealth tax stack on top. On the poll tax, the good news is that Labour will abolish it; the had news is that it will put two taxes in its place — a local income tax plus a reinstated property tax. You cannot pin the blame for that on Mr Todd, but you could argue that without all the Toddery in other areas local taxation might not in their areas local taxation might not in itself

It is hard to see Mr Kinnock increasing Labour's standing in the polls, or winning a string of by-elections, with such a party, plus Mr Todd, behind him. Yet it would be Consider what he has achieved.

Labour's old anti-European bias has been replaced by a nearly-enthusiastic Europeanism. (Labour's morning prayers are now likely to start with that old hymn, Delors is my shephard.) It is sadly true that the party remains firmly interventionist, and remainstant to some recanture of a committed to some recapture of a state role in the privatised industries but, more importantly, Mr Kinnock is now emphasising his belief in markits, competition, enterprise, consumerism, the value of the individual and

the other principal ingredients of Suropean social democracy.

The party itself is being rid, plece by piece, of some of its outrageously undemocratic elements. In future undemocratic elements. In future leadership elections constituency parties will be obliged to conduct a ballot of all their members before casting their votes. Ballots were held, voluntarily, in some constituencies in the leadership election this year. Wherever this happened, Mr Kinnock and Mr Roy Hattersley, his candidate for deputy, oblitarated the left slate headed by Mr Tony Benn. No wonder the Kinnockites would like one person-one vote for selecting constituson-one vote for selecting constitu-ency delegates to the conference.

As the jewel in the crown of democ-

ratisation, a membership recruitment campaign, aimed at bringing in a mil-lion members, has been launched. This is designed to outflank the trade unions' block vote (a system that gives Mr Todd a fifth of the votes at the party conference). Once you have your million members, say the Kinnockites, there need be no fear of leftwing revolts from party activists, and no need to rely on the union block votes for important matters such as

the re-election to the leadership of Mr the re-election to the leadership of Mr Kinnock. Alas, here again, we find a possibly fatal flaw. It is — first you have to catch your million members. All other difficulties apart, Mr Paddy Ashdown and his Democrats are on a similar membership hunt. They are true social democrats unen-cumbered by either Mr Todd or a fairyland defence policy. As someone with five years' experience of selling with five years' experience of selling by direct mail, I can assure Mr Kin-nock that the task is not an easy one



when a rival firm has a more attrac-tive product on offer. It is very nearly impossible when you are racing against time and the product may have to be taken off the market if it doesn't reach a certain level of sales

by a certain date.
Yet this is the situation in which the Labour leader finds himself. He has sold the need for a social-demo-cratic approach to most of his party, in spife of Mr Todd. His unique selling point has been that without victory no policy document means anything. Follow his way, and there will be victory, says he. This will be more firmly believed, and the TGWU could yet be outflanked, if over the coming year Labour could score a marked improvement in the opinion polls, accompanied by a string of by-election and local council victories.

The reverse is also true. If Mr Kinnock does not begin to deliver at least the great of pictory the basic year.

the scent of victory, the basis upon which he has grasped control of the party and begun to refashion its poli-cies will be seen to be false. Again, that could be unfair - it could be that Mr Todd's activities are the principal reason for the continued failure of Labour to win more electoral support. But fairness has nothing to do with the case. Mr Kinnock is sitting on one side of a see-saw, with Mr Ashdown on the other. (Dr David Owen is on his own.) If Mr Kinnock soars in spite of Mr Todd, he can reasonably hope to command a credible opposition before long. If Mr Todd drags the Labour leader down, Mr Ashdown may soar, leaving the opposition as hopelessly divided as ever. But Mr Todd can only be himself. This week's events indi-cate that he has little option but to attack Labour revisionism. He may be acting from the highest of motives in his own terms, but he is the instru-

ment of heartless fale.

It is therefore wholly understandable that the mood of senior Conservatives, as they prepare for their own party conference next week, is poised somewhere between confidence and complacency. British political history suggests that whenever there is a serious split in a major party, such as between Labour's socialists and its social democrats in 1981, the fractions stay out of office for at least 20 years. That would mean Tory rule until the first year of the forthcoming millen-ium. Mr Todd will not have achieved that all by himself, but Conservative Central Office is no doubt thankful for his immense contribution.

LOMBARD

Let sleeping horses lie

By John Plender

a great deal of effort - statistia great deal of enort — statistical and otherwise — in trying to reduce the number of johless in Britain. Lord Young's rehoned Trade and Industry machine makes a deal of noise and spends a small fortune on dvertisements encouraging job-creating enterprise. But when you come down to it, the most successful job creation agency in the country is arguably not in Whitehall but in Threadneedle Street. And the outfit in question spends scarcely any money on job creation at all.

Now it is, of course, open to uestion whether the Governor of the Bank of England, Mr Robin Leigh-Pemberton, regards himself as presiding over the country's most successful job centre. But he could put a pretty fair case if he wished to do so. Since Mrs Thatcher came to power in 1979 all the growth in employnt in Britain has been confined to the services sector. Of that, nearly half took place in financial services, which saw an increase in employment of more than 40 per cent to 2.3m. The sector is now the biggest employer outside manufactur-ing; and while much of that 2.3m has nothing to do with the Square Mile, there is no doubt at all that the City of London has been one of the more dynamic components. A more dynamic components. A recent estimate in a report from the Institute of Manpower Studies suggested that City jobs had been growing at eight times the national average between 1984 and 1987.

The interesting thing about the decisions that naved the

the decisions that paved the way for all this job creation is that they happened years ago. One, taken by the Bank of England, was to operate an open-door policy for foreign banks wishing to do non-sterling business in London

As an anonymous American

As an anonymous American puts it in Martin Mayer's latest book on the subject of markets, "the Bank of England doesn't care what you do in London, so long as you don't frighten the horses." The other decision was unwittingly taken by foreign governments, most nota-bly the US, when they imposed tougher tax and regulatory

r Norman Fowler's regimes on their financial Department of systems relative to the UK. A consequence of this British policy of benign neglect towards foreign financial activity, which had its roots largely in tax evasion by footloose international investors, is that Britain now derives no less employment from financial services. With so many eggs in the City basket it has a great deal to lose, especially in the context of 1992. For while the chief consequence of a single market in financial services will be to do for retail finance in Europe what Big Bang did for wholesale financial business in London, it will also have wider consequences for the competitiveness of individ-ual financial centres in the European time zone.

The price of maintaining comparative advantage in running a guest-house for foreign financiers is eternal vigilance and endless lobbying in Whitehall and Brussels. Hence the City's recent penelsest for City's recent penchant for offering second homes to for-mer diplomats, of wbom Sir Michael Butler at Hambros is one of the more prominent, in pursuit of the implications of 1992. Yet they face a new, chal-lenging problem, for the Gov-ernment is no longer inclined to be benign or neglectful.

In the good (or should one say bad?) old days when mainly foreign bankers were running a gigantic but wholly obscure black market for international tax dodgers, British politicians happily turned a blind eye. Yet with so much employment now tied up in the City, they are all too anxious to help.

The results are visible in the anti-Japanese reciprocity provisions of the Financial Services Act. With a new directive threatening to give the EC a right to veto anthorisation for non-European financial institutions, London's openness and thus its competitive edge are potentially under bureaucratic threat. Yet having introduced reciprocity into its own domes-tic legislation, Britain's ability to protect City interests in Brussels has been weakened. The Old Lady's game was great while it lasted. But with politi-cians at work the horses may

Politics and the concept of citizenship Performance

were to answer a clear yes, it

could then go on to assert gov-ernment's responsibilities to

From Mr Peter Ashby
Sir, Joe Rogaly ("The active citizen for all parties", October 5) 14 absolutely right when he says that the Conservative Party is rapidly cornering the debate about active citizenship with massive political cons quences for the run-up to the

next general election. The problem for the Labour ... Parties that many of its mem-Particle that many of its members fear debating the issue of citizents' responsibilities because they see this as somehouse right wing concept, so they stick firmly to debating efficient rights. Yet the challenge that Mrs Thatcher has possible to on the specific terrain of chizens' responsibilities, and it is simply not good enough for Labour or indeed the benerals who are similarly. Democrats, who are similarly guilty on this store — to attack Mrs. Thatcher for various irre-sponsibilities and then duck

The question Labour must now answer is: does it believe that citizens generally have a responsibility to work, if they are capable of work and expect some sort of income from society?
If Labour answers no, it can behind this, and it concerns whether or not claimants should be able to keep on turnforget about its chances at the next election. If, however, it

provide work for citizens who do-all-in-their power to find work but are unable to do so through no fault of their own. That could sound very The Labour Party conference vote in Blackpool to boycott Employment Training will conattractive to electors; Labour, like Mrs Thatcher, promoting individual responsibility but

unilke Mrs Thatcher (so har) — firmly acknowledging the State's reciprocal responsibili-Joe Rogaly quotes from Raymond Plant's excellent Fabian namphlet, and suggests that a responsibility to work couple with a commitment to full employment equals work-fare. What a debasement of language! Since when was the idea of guaranteed work for the unemployed, work that would get them of the unem-

ployment register and away from "welfare", defined as Of course, we know the issue

appraisal From Mr David Sainsbury Sir, While delighted to be

ing down jobs and still claim seen as entrepreneurs (Lex, their benefit. Such is the state of the Left in this country that October 3), we were surprised at the implication that, along many talk of our benefit sys-tem as if it had guaranteed with The Bell Group and Max-well Communications, we had everyone an unconditional underperformed over a long basic income in the years period. before Mrs. Thatcher gained .

This seems curious for a company which over the past 10 years has outperformed the FT-A 500 Index by almost 21/2 times, and shown a steady siderably weaken the Labour Party's moral authority across the field of employment and earnings per share growth averaging 26 per cent per training policies. It cannot now David Sainsbury, Deputy Chairman, J Sainsbury, afford to duck the challenge of declaring its stand on the responsibilities of citizenship Stamford House, Stamford Street, London SEI 9LL

> Surprised? you won't be

From Mr John G. Bridge Sir. UK deficit £12bn. South Korea surplus \$11bn. Surprise, surprise.
John G. Bridge,
The Textile Industry Support
Campaign, 115 Windsor Road,

omy Survey, September 28). In the history of your fine publication, have you ever reported the outlook to be otherwise?

D D Chomeau, The Reliable Life Insurance Company, 231 West Lockwood Avenue, Saint Louis, Missouri

Flight of fancy

From Mr A C V Wynn Sir, Lord Young, in his remarks on the Organisation of Petroleum Exporting Countries, stated: "We will not be part of a cartel" (FT, October 5). Can we take this to mean that cheaper air fares to Europe will soon be available? A C V Wynn, 14 West Smithfield, London

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ADVERTISEMENT.

AUSTRIA BUYS PLESSEY

Anstria's defence forces are to be remotely-controlled strategic company's position as the communications under contract worth several hundred detachments. million Austrian Schillings.

and automated military network in Europe.

Plessey is system design authority for the project, with a consortium of Kapsch AG and Siemens AG Austria as prime MRS and was won by Plessey contractor.

range of digital switches, the sales worth more than £100 system will include both static, million, maintaining the with the British Army.

. Transport

WATCHMAN FOR BIRMINGHAM

by the CAA for primary radar maintained its technical and

Won against strong UK and achieving an enviable record of

Birmingham International Air- overseas competition,

number of Watchman ATC sixty systems.

radars ordered by the Civil

Aviation Authority to seven and

is the largest contract awarded

since the early 1980s.

equipped with advanced Plessey switching nodes as well as leader in this important highmobile tactical The system will use

When completed in 1991, integrated voice, message and the integrated area com- packet switching techniques to munications system will give provide multi-mode comthe Austrian defence forces the munications and extensive most comprehensive, modern subscriber facilities, with dual command and control installations giving a powerful network management capability. The contract is the sixth

major success worldwide for against fierce international Based on the Plessey MRS competition. MRS has gained

port is to be equipped with a order brings the total number made Watchman the leading

Since the Watchman system

was initially selected by the Ministry of Defence it has

operational lead whilst

switch technology market sector. It is also the second collaborative success for

Plessey with MRS in Europe,

following its HERMES project with Siemens in Greece. The MRS range includes the key modular elements of resilient, survivable thirdgeneration battlefield systems. capable of meeting a wide

range of strategic and tactical applications. MRS retains and improves

on successful features of the Plessey PTARMIGAN tactical battlefield system in service

reliability and performance in

the this combination that has

authorities.

SATELLITE NAVIGATION

Plessey and ITT Avionics of the USA have signed an agreement to produce digital Global Positioning System receivers and modules to meet the expanding needs of the US defence market.

ITT chose the Plessey receiver in preference to others because of its advanced digital design, proven performance and ease of manufacture.

Plessey/ITT GPS receivers are primarily intended for military airborne applications. They will require less power and space and be more reliable than existing analogue designs.

The receivers have been designed so they can be fully integrated with inertial navigation systems and other navigation sensors via a highspeed parallel data bus. Easy installation and interface flexibility is made possible by the use of thick film hybrid technology and advanced systems architecture and

manufacturing techniques. In use, Plessey/ITT receivers will allow air crews and other operators to pinpoint their position reliably in three dimensions and with an accuracy significantly higher than offered by current alternative navigation systems.

A successful trials pro-

gramme which has been running since early 1987 has confirmed both the performance and reliability of the receivers in aircraft, ship and land vehicle platforms.

Plessey has operation with a large number announced a repeat order from of users around the world. It is the Finnish Air Force for four Watchman systems and a new customer - India. Other users Plessey Watchman radar for air of Plessey Watchman radar air traffic control radar in its include China, Spain, Dubai, traffic control. It brings the sales worldwide to more than class for both military and civil Bahrain, Ghana and the

Sultanate of Oman.



PLESSEY, the Plessey ambal and Watchman are trade marks of The Plessey Company pic

High levels of exposure a deterrent

From Mr Peter Faulkner Sir, Dominique Jackson's article on the new LIFFE Bund contract (FT, September 30), while making some valid com-parisons to the Japanese Gov-ernment Bond contract, appeared to miss a crucial point. The Bund contract of DM 250,000 is, in dollar terms, over 5% times smaller than the

Not only does this make straightforward comparisons of also leads to a more serious problem. In sterling terms one tick on one contract is worth about £44 for the JGB contract but only £8 for the Bund. This obviously has a detrimental effect on the liquidity

of the JGB contract - many locals are deterred from trad-ing in a market where the levels of exposure can be so high. I believe this is the primary reason for the low levels of business in the JGB contract.

in relation to income and

work. If it is to have any credi-

bility in arguing the case for full employment it must make

clear that citizens who refuse

employment offered to them, without good cause, would at

some stage forfeit entitlement to benefit.

St Georges House, Windsor Cas-

Peter Ashby.

Peter Faulkner, I Queen Elizabeth Street,

'How independent is this putative union?'

From Mr Daniel Vulliamy Sir, It is hardly surprising that P & O European Ferries is equivocal about giving public support to the breakaway European Ferrymen's Association (FT, September 29). Open support would call into question the independence from employer influence of the

organisation.
The most cursory examination of its Rule Book suggests that this putative union certainly does not have the interests of its potential members at heart. A few examples from the Rule Book will suffice.

per cent support from the entire membership, non-voters being treated as against. There is no provision for the payment of strike or lock-out

 The organisation is banned by rule from providing assistance to any member "accused of any offence involving drink, drugs, or breaches of Customs

and Excise Laws".

Admission into and expulsion out of membership are solely at the discretion of the committee. There are no provisions for appeal against deci-sions or actions of the commit- A strike, even of a few memitee or of association officers. bers in one section, requires 75 . There is no provision for any system of lay representatives, normally the bedrock of trade unionism. • Rule changes require a 75 per cent vote of the entire

The Government Certification Officer may shortly be asked to exercise his statutory duty to determine whether the new body is genuinely independent. That will prove an interesting test of the Certification Officer's independence from the interests of Mrs Thatcher and Sir Jeffrey Sterling. Daniei Vulliamy, The University of Hull, Industrial Studies Unit, 49 Salmon

Grove, Hull, North Humberside.

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FINANCIAL TIMES

Friday October 7 1988

SAA make the difference.

Shadows stretch across sunny Monaco

Paul Betts examines the rumours of crisis in the Riviera's beachside empire

WHIFF of scandal is blowing over the Rivi-era. The tiny but opulent principality of Monaco is awash with rumours these days about a major internal days about a major internal crisis at the Société des Bains de Mer et Cercle des Etrangers à Monaco (SBM), the company controlled by Prince Rainier which owns the casino, the Monte-Carlo beach, the tennis club and golf course, as well as the famous Hotel Hermitage. Hotel Hermitage.
The crisis has been brewing

ever since the SBM became caught up in the problems of the French stockbroking firm Baudoin, which was suspended from dealings earlier this year by the French financial authorties for "serious shortcomings

The SBM acknowledged last month that it had been forced to make provisions to cover to make provisions to cover possible losses as a result of unhappy investments made through the Baudoin stock-broking firm, which has since been rescued by Finacor, a

leading French money broker.
But Prince Rainier, who has long sought to change the traditional image of Monte-Carlo as a "sunny place for shady people", is understood to have been account by the efficie and been angered by the affair and has demanded a change in the senior management of the com-

pany.

The SBM yesterday said it had no official comment to make about the possible top management reshuffle which is widely expected to take place later this month. But sources close to the palace suggested that Mr Andre Saint-Mleux, the SBM chairman, and Mr Jacques Seydoux de Clausonne, the urbane number two in the group, would be soon replaced following the crisis of confidence between the two executives and the Monegasque state, the majority shareholder of the SBM with 69 per cent.

Tipped to replace the two executives are Mr Edmond Lecourt, the head of the tradi-tional Savon de Marseilles soap group, and Mr Henry Rey, a well-established Monegasque



Andre Saint-Mleux (above) could be replaced in an expected management reshuffle.

solicitor. Both are already on the board of the SBM.

The affair is already causing an unheaval in the principality and fuelling conversations in the gilded salons of the minis-cule state's Manhattan-like skyscrapers because of the overwhelming importance of the SBM in Monaco.

Indeed, the principality of Monaco has often been described as a "state within a company" because the tiny country owes much of its prosperity and development during the past century to the SBM. Founded by Francois Blanc, a 19th century genius of the lux-ury leisure business, the ubiquitous SBM launched Monte-Carlo on the international map thanks to its famous rococo casino and palatial hotels. Even though gambling today



cent of Monaco's annual state cent of Monaco's annual state revenues, the casino remains a symbol of the golden image of Monte-Carlo. Moreover, the SBM has long been the principal vehicle for promoting the principality abroad and in the past few years has been the motor in Monaco's efforts to recreate its Belle Epoque fame which has suffered of late with the arrival of the sky-rise the arrival of the sky-rise buildings, mass tourism and the growing scarcity of the big

spenders of the past. Monaco has always been associated with White Russian dukes, English lords, and Greek shipping tycoons. The SBM at one stage was con-trolled by the late Aristotle Onassis until the Greek ship-ping magnate fell out with Prince Rainier who subse-

The expected replacement of Mr Saint-Mieux and Mr Sey-doux de Clausonne comes at a time when the SBM appeared to be enjoying a revival in its fortunes with profits doubling this year to FFr122m (\$19.2m) and pre-tax sales rising above the FFribn mark this year. Moreover, the company has been engaged in an extensive renovation programme over the west few regres for restreet the past few years to restore the Casino, the Hotel de Paris and its other facilities to their

former glory.

The likely departure of Mr Saint-Mleux will inevitably cause surprise and some raised eyebrows even beyond the frontiers of the postage stamp principality roughly the size of Hyde Park in London. A

French career diplomat, Mr Saint-Mieux had for nine years acted as the secretary of state of the principality representing the interests of France, before taking over at the head of the

Mr Saint-Mleux, a quiet and iscreet man, and the more flamboyant Mr Seydoux de Claissonne, appear to be paying the price for allowing the ven-erable name of the SBM to be dragged into the Baudoin scanial on the Paris bourse last

March.
Prince Rainier over the past
30 years has increasingly tried
to run Monaco like a well-managed corporate enterprise
diversifying and developing his
country's economy in new
financial, industrial and service sectors as well as consoli-dating and renewing its tradi-tional tourist base. He has also said on several occasions that his ambition was to make peo-ple finally take the tiny sover-eign state seriously and to put an end to the dubious images which for generations Monaco, and especially Monte-Carlo, have engendered in the popu-

The picture postcard Medi-terranean country has always suffered from the image of a tax haven as well as of a playtax haven as well as of a play-boy's paradise where the lucky few manage to break the bank of Monte-Carlo. But although this image has per-sisted – boosted by the saga of the Royal family and Prince. Rainier's glamorous daughters whose movements are reported in detail in many of the world's glossy magazines — Monte-Carlo appears to have succeeded in shaking off its past and in presenting a more mod-ern, successful and clean-cut

For this reason, sources in Monaco suggested yesterday, the state authorities decided to take swift and tough action to intervene in the SBM affair in an effort to limit the damage a crisis at the SBM could cause to the overall image of the principality. But the affair is likely to leave a bitter after-taste in the champagne world of Monte Carlo.

he size in which the prices the size in which the prices hold good, is another nail in the coffin of the SEAQ system. With both BZW and Phillips and Drew now making one set of prices for clients and another for everyone else, the market has come a long way, from the equitable post-big hang ideal.

British Steel

The vendors of British Stee are taking few chances with the biggest flotation since the crash, and appear to be aiming the issue at all investors everywhere. The steel industry might not be an ideal home for Sid, but the hope is that once he sees how excited the institutions and oversets investors are, he will decide to join in.
For all types of investor, the trick will be to prove that the company is not as cyclical as it is cracked up to be, and not be the trick will be to be and not be tricked. being sold at the top of its market. Even overseas investors, who are relatively well informed about the industry, may need some convincing that the steel cycle has not peaked. The recent behaviour of the Bethlehem Steel share price shows how anxious its shareholders are: forecasts for 1968 earnings have risen five-field in the past war. fold in the past year, while the shares are barely np 30 per cent. Yesterday's results from Arbed tell a similar story of a great leap from loss to profit, dished up with a hint that things may not stay so good inficinitely.

None of this means that it will be impossible to privatise British Steel, and even those UK institutions which falsely believe it still to be inefficient and overmanned expect it to become a core holding so long as the p/e is tiny and the yield large. Unfortunately, the large. Unfortunately, the glossy promotional literature released yesterday does not get the sale off to a persuasive start, as it neglects to explain that the industry is cyclical at all. Neither does the press advertisement, which makes the British Steel logo look like a maze, seem the best way to convince the naive that buying shares in the company will be

Credit cards

If there was ever any doubt that the profitability of the UK credit card industry had aiready peaked, yesterday's decision by Lloyds Bank to break with its Access colleagues and begin competing Bethlehem Steel

Big Steel polishes

up its image

directly for retailer's business, should set the record straight. The credit card business is aiready mature and while it never contributed more than 8 per cent of any clearing bank's profits, this contribution seems set to fall as banks begin cut-ting margins in order to win the retailers' custom. This is: welcome news for the hard-nessed retailers and should go a long way towards making the current MMC credit card investigation irrelevant. However, for the bank customer the

move is not such good news, since it is likely to hasten the day that the card companies begin charging for the use of

The battle for control of Con-

Gold Fields:

Minorco's record of events in ladeed, those foreigners who late 1996 is seriously at odds have only just discovered that with Gold Fields own memo there is something afoot in lally could well still have time of the affair, and raises questions about the redibility of Mr Rudelph: Agnew, the consensus view is that the abolition of the secret ballot could be worth another 4 or 5 per cent on the domestic index in the about term.

The danger, however, is that that the prospects for the secret ballot are dim, they of both sides had agreed to a could be wrong that abolishing of both sides had agreed to a could be wrong that abolishing friendly merger, but this was it will make very much impact subsequently overruled by the on controlling public sector full Gold Fields board. Mr finances, The Italian Govern-

unitively decision to go ahead with a deal. Unless both companies agree to disclose the full minutes of any meetings which took place between them it is hard to draw any firm conclusions. However, yesterday's disclo-sures suggest that both sides were much closer to an agreement than anyone thought, and will make it considerably harder for Gold Fields to con-vince the various regulatory authorities that they should come to its defence. Despite all the anti-South African rheoric this bid is almost certainly going to be decided on price alone.

Milan Bourse At this rate, investors less better hope that the impasse over political reform in Haly

continues for as long as posti-ble, as every extra day's delay seems to take the Italian equity market to new highs. Corporate profits forecasts have been revised upwards as have predictions of economic growth in the current year - but Milan can hardly claim to be the only market where that is true at the moment, so

that is true at the moment, so its recent leap-frogging rise probably has little to do with mundane factors such as these. After mouths of tedium — during which the ET Italian index in dollar terms underperformed the world index by as much as 20 percent — investors have become convinced that the parliamentary secret vote is about to be abolished, and that this will The battle for control of Consolidated Gold Fields is entering a rather nasty phase as both sides swap arguments about how close they were to merging two years ago. While it might all seem rather academic at first sight, it has an important hearing on the outcome of the battle since. Minorco's record of events in late 1966 is seriously at odds.

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or Burnstie

Agnew calls this deliberate ment may not be the only one foul play and argues that it which overshoots its spending simply reflected good preparatory staff work just in case the full Gold Fields board took the must be bad news for equities.

Moscow seeks electronics deals with US

By David Thomas in Novosibirsk

series of joint ventures with leading US software and electronics companies which it believes could help the Soviet Union to circumvent some of the main barriers preventing it from importing advanced West-

ern high technology. Top Soviet scientists believe they will be able to gain access to advanced US microprocess-ing technology in return for sharing with the US some of their advanced mathematicsbased software.

Professor Vadim Kotov, deputy director of computing at the Soviet Academy of Sci-ences in Novosibirsk, one of the main Soviet science cen-tres, recently spent 2½ weeks in the US on a Soviet delegation which saw a different US

Professor Kotov said Bor-land, one of the leading US publishers of business personal computer software, had shown interest in some Soviet software packages. Computer scientists from Novosibirsk are planning to visit Borland in

December.

A spokseman for Borland said last night that its executives recently met a Soviet trade delegation. The business discussions were "extremely productive." The company is believed to be interested in exporting products to the Soviet Union. The Soviet delegation was

looking at two main types of arrangements - joint ventures panies which would give

processor technology, and soft-ware exchanges with US soft-ware companies, which would result in each side marketing software in the other's coun-

The Soviet plan is to estab-lish a joint venture to design a 32-bit microprocessor which would then be manufactured in the US, though possibly also in the Soviet Union. In return, the Soviets would give its US partner access to their software skills. The Soviets are working on their own version of a 32-bit microprocessor, but Prof Kotov said it would take up to three.

years to develop. Executives from Micropro, the Californian based software company, are in Moscow dis-cussing the possibility of devel-

gram for the Soviet market. The talks may still fall foul

of the rules restricting the export of Western technology to the Soviet Union on military grounds, which are adminis-tered by the Paris-based Cocom organisation. However, the efforts being made by the Sovi-ets indicate both the impor-tance they attach to developing their computer industry and their greater willingness to deal with Western companies.

Professor Kyrill Zamarayev. a biochemist who heads the institute of Catalysis in Novo-sibirsk, said he was in talks with US and European compatation of the institute's

Politburo of Yugoslav province quits office

The entire Communist Party Politburo ruling Yugoslavia's Volvodina province resigned yesterday after 100,000 protest-ers demanded they quit office, Resier reports from Novi Sad. Outside the regional partia-ment in the Vojvodina capital Novi Sad where the polithuro

was meeting protesters hurled bottles and riot police, with helmets and shields, stood ready for action. Some 10 to 15 people, mostly policemen, were taken away in ambulances as demonstrators shorted: "We are losing patience." The demonstrators back Serbian demands for greater control of the autonomous province, part of the Serbian republic, Yugoslavia's higgest.

province's policy-making party Central Committee, meeting in emergency session, voted by a big majority to accept the polit-buro's resignation:

Earlier, Mr Nandor Major, Vojvodina provincial president, resigned after protesters laid stege to official buildings and tried to breach police barricades. Mr. Milovan Sogorov, Vojvodina Party president told the Central Committee meet-ing: "Things are happenning outside. There are many injured people."

Serbia's Communist Party leaders backed the demonstra-tors call for the resignations of tors call for the resignations of all the leaders of Vojvodina.

The protest, the second in as many days, was the flercest in support of a crusade by Mr Slo-bodan Milosevic, the Serbian Communist party leader, to assert greater control over Vojvodina and Kosovo.

At an emergency meeting At an emergency meeting with Volvodina leaders in Bel-grade yesterday, Serbia's Com-munist Party Polithuro had called for the immediate resignation of the Volvodina Polit-

nation of the Vojvodina Polit-buro and a purge of the prov-ince's media. Vojvodina leaders told pro-testers on Wednesday that they would resign on Thurs-day. The Serbian Politburo insisted they do so: "Only a radical personnel shake-up can return the lost respect and sup-port of (Vojvodina's) citizens," said a statement by the Ser-bian Politburo read over Bel-grade radio.

Serbia is unique among Yugoslavia's six republics in having two autonomous prov-inces over which it has little

Nissan's Utopian carfactory in Sunderland is turning out 50,000 Bluebird cars a year. But are they British or Japanese?

The French say Japanese, and want to apply a quota. The British (and Nissan) disagree.

This week The Economist asks-will the Bluebirds ever get beyond the white cliffs of Dover?

Economist

State of siege declared after Algiers riots

Continued from Page 1 criticised those with senior

posts in the powerful state industries for never leaving their offices, and the private sector, which he has strongly encouraged since coming to

power, for profiteering.

He did not spare those members of the ruling party who entertained any doubts about the model to get the country. the need to get the country back to work after years of enjoying the uncarned wealth brought by the high price of oil and gas. Hydrocarbons account for more than 95 per cent of

the country's export income.
As they seek to unshackle an economy burdened by a string of inefficient state industries, Algerian leaders are caught between a sharply falling for-eign income (down from \$13bn in 1985 to an estimated \$3hn this year) and the impossible task of diversifying exports

Low productivity, mediocre

quality, an artificially high currency all militate against the non-hydrocarbon sector making a serious contribution to the balance of payments for

many years to come. Cutting back imports from \$3.8hn in 1965 to an estimated \$6.2bn in 1988 has succeeded in balancing the current account. But it has led to a growing shortage of raw materials and

spare parts.

The black market has expanded and, as always, members of the nomenklatura, including senior army officers are spared the worst. Privileges in Algeria may be less than elsewhere in the Middle East but they are the Middle East but they are keenly felt by a population whose spirit of egalitarianism, born of the long war of inde-pendance, remains strong. Algeria is taking its medi-cine. Subsidies on stanks foods have been alashed, foreign travel allowances cut, entrance.

WORLD WEATHER

to universities become more selective. The state is selling off land, long run by inefficient co-operative farms, and encouraging private entrepreneurs. Unfortunately this process is

increasingly taking on the appearance of a distribution of spoils. Special venom is reserved for the "millionaires du legume" who distribute a growing amount of the produce from the lead. rom the land.

Frustration and envy are rampant among younger Alge-rians, who make up more than half the population of 23m and find jobs increasingly hard to find. The changes under way may

need to be more sharply Foreign investment for example, could help maintain a respectable level of economic growth, but Algeria's bloody colonial experience still makes the country's leadership wary

ence.
Two joint ventures with major foreign companies, Ericsson and Daewo - the latter to build a Hilton in Algiera - have been signed this past year but most international companies are warr of the less companies ere wary of the less than liberal law on foreign investment and the heavy hand of bureaucracy.

The benefits here could be all the greater as the country has scrupulously honoured its

of any significant foreign pres-

foreign debt payments. This year its bankers will raise loans worth \$3.5hn, roughly the cost of its principal repayments on its foreign debt of \$20.7bm

More than ever, however, the country's future is pradicated on the price of oil and the ability of its leaders to push through the reforms which have been mapped out over the past two years.

Republicans rally round

tive accomplishment and suggestions that he had used family influence to avoid combat duty in Vietnam.

Througout yesterday leading Democrats and Republicans tried to elsius vietnam to the

tried to claim victory in the debate in order to influence the television and newspaper coverage in the next few days.

House with his finger on the nuclear button. That person

Senator, you're no Jack Kennedy."

Doubts about Mr Bush's choice of Mr Quayle as his running-mate were fuelled by his mediocre academic credentials, limited record of legislations and sug-

Mr Robert Teeter, Mr Bush's chief pollster, said Mr Quayle's performance had been supern but he sought to shift the focus away from Omaha to the contest between Mr Bush and Mr Dukakis. Governor Mario Cuomo of New York said the debate was about whether Mr Bentsen or Mr Quayle was more suited to sit across the table from Mr Mikhail Gorbachev, the Soviet leader, or sit in the White



INSIDE

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Going against the grain yields trouble

Efforts by industrial countries to erode their custly grain mountains may have been more successful than some producers had thought. American and European governments still pay farmers not to grow crops, but three new reports in recent weeks have challenged the assumption that the world is producing too much grain. Grain stocks, which amount to 54 days of consumption, are now at post-war lows and the longer-term implications could be dev-astating. Page 34

Valeo tries to get in driver's seat



The latest bid by Valeo, the second largest car components group in Europe, for Epeda-Bertrand Faure, the leading French car seat manucant new chapter in France's long and arduous effort to constitute a strong yet independent car components industry. For Mr Noel Goutard

(left) it also represents part of a general strategy to build up the critical aize of the company aince being appointed head of Valeo two years ago by Mr Carlo De Benedetti, the Italian businessman. Page 24

Trouble at Touche Remnant

The victory of the British Coal Pension Funds in their £560m bid for TR Industrial & General, Britain's third largest investment trust, raises question marks about the future of Touche Remnant, the fund management group which has seen assaults or reconstructions at four other trusts doring the past year. Page 30

Removing the buzz from New Zealand's kiwi fruit



Science and technology have caught up with New Zealand's hard working honey bees. Traditionally charged with polli-nating femala kiwi fruit flowers, the off and orchard owners are now using

hand-held pollination sprays that do the job better. For many kiwl fruit producers, the costly change-over has boosted production dramatically. For the bees, sweeter, less demanding, times are ahead. Page 34

European stock turnover surges Flumpurs of stakebuilding, renewed bid battles and mystery buying injected a welcome dose of activity into the European bourses last month. Belgian stock turnover soured 70 per cent while the French bourse saw trading jump 63 per cent. Tractabel, Petrofina, Pernod, Agence Havas and LVMH were among the most active issues during September. Page 46

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Investcorp : trish Distillers Chief price changes yesterday Pileon Bayer Hypo Luthensa Piles Patts Contl. Garani *57*3 MENU YORK Migne. Art Hieldeld Damon Corp. MCA TOKYO (Yes) MA TW Servs. Padis Digital Comm. Seagets Tech. PARIS (FPT) Himes. Privagez - 150 - 70 - 57 Tokyo Bec. 872 £10.2 + 2, 248 + 23 353 + 15 483 + 12 585 + 16 Ritings
AnglistV
Aurora
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Central ITV
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La Générale paves way for large placing

CLEAR EVIDENCE that Société Générale de Belgique, Belgium's higgest holding company, is pre-paring a large share placing emerged yesterday when it announced the appointment of Saatchi & Saatchi, the UK adver-tising and compulsary groups to

Seatchi & Saatchi, the UK advertising and consultancy group, to carry out a 12 country "audit" of the company's market image.

The move, which is highly unusual for a Belgian concern, is a further sign of changes being wrought inside the company by the new company. its new owners, notably Compag-nie Financière de Suez, the French investment bank, and the new management team under Mr Herve de Carmoy, chief executive. In the past, calling in Sastchi would have been consid-

ered out of tune with La Génér-ale's traditionally low-key style.

During the summer, Suez and its Belgian allies emerged triumphant after a bitterly contested takeover battle with Mr Carlo De Benedetti, the Italian husinessman. That struggle, however, proved costly in terms of time

and money for both sides and the Franco-Belgian group has already publicised its intention to sell a significant part of its 80 per cent stake back to investors.

A spokesman for La Générale said the number of shares to be made available to the public, and the timing, were not yet known but he confirmed the Saatchi con-tract should be viewed with a placing in mind.

Research will be carried out in financial markets in Belgium, the UK, West Germany, France, Sweden, the Netherlands, Italy, Spain, Japan, Hong Kong, the US and Canada.

The company said the results would be available by the end of

Philip Rawstorne writes: The project will be co-ordinated through Saatchi's agency in London. Saatchi views the prestige gained in securing the contract as a valuable boost in the expansion of the contract as a valuable boost in the expansion. sion of its management consultancy business.

UK steel float looks to overseas investors

By Nick Garnett and Raiph Atkins in London

INVESTORS from Japan, the US, Canada and continental Europe have shown strong interest in buying stakes in British Steel which is to be floated for an expected £2.5bn (\$4.25bn) in the second half of next month, according to Samuel Montagu, the UK merchant bank.

The bank yesterday launched the marketing campaign for what will be the largest flotation of a state-owned UK manufacturing company. Samuel Montagu is act-ing as the Government's finan-cial adviser. -The share offer means govern-

ment privatisation receipts will almost certainly bit a record level this financial year and easily exceed the Treasury's target. The Government is already approaching the £5bn expected from privatisation receipts in 1968-89. Money has flowed from

the sales of British Gas, British Airports Authority, British Petro-leum and British Telecom. There have been suggestions that some department officials were worried that the present financial climate was not suitable for what is the first privatisation since the troubled BP flotation

The share price will be announced next month.
Samuel Montagu said the flotation would be directed at UK institutions, overseas investors

Overseas offers are being made in the US, Japan and Canada with a placing in continental Europe. This raises the prospect of steelmakers in other countries purchasing a stake in British Steel. A shareholding taken out by a Japanese steelmaker, for

five years a special share which will prevent any individual or group from owning 15 per cent or Challenging the entrenched group from owning 15 per cent or more of British Steel, which is the most profitable European steel maker and, with Sonth Korea, the lowest-cost producer in the world.

Total overseas shares in the company, which made a profit last year of £410m on sales of £4.1bn, could be up to 30 per cent of the flotation.

and the British public. It denied individual UK shareholders were being relegated to third place.

example, would give it a useful entry into the European market. The Government is to hold for

A very personal gamble

Louise Kehoe looks at how Sun plans to rise in the world PC market

T HAS been the computer success story of the 1980s. In just six years Sun Microsystems, of Mountain View, California, has taken the computer workstation market by storm, grabbed market leadership and built up sales of over \$1bn a year. Now it is planning a bold gamble, in which it will play David to personal computer Goliaths like

personal computer Goliaths like IBM, Apple and Compaq.
Aiming to maintain the hectic pace that has seen profits soar from \$654,000 to \$65.5m between 1963 and 1968, Mr Scott McNealy, Sun's president, is planning a major assault on the more than \$50bn world personal computer (PC) market next year. The plan was revealed in outline last week by a senior Sun executive, and was reveated in outline last week by a senior Sun executive, and while the company refuses to elaborate, it is expected to launch products that bridge the gap between high-powered workstat-ions and standard desk-top per-

sonal computers.
"Sun will be virtually betting the company. The personal computer market represents a fabu-lous opportunity, but an incredi-ble financial risk," says Mr Stewart Alsop, a computer indus-try analyst and newsletter pub-lisher. He estimates that it could cost Sun as much as \$1bn to establish itself as a significant

player in the PC industry.
It is, however, a challenge Sun's young executives seem to relish. Over the past six years they have out manoeuvred such computer giants as Digital Equip-ment and IBM to win a commanding position in the workstation market.

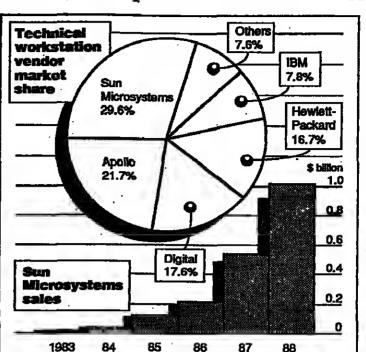
Founded in 1982 by four young college graduates with virtually no prior business experience, Sun is one of the fastest growing companies in the computer business. Each year the company has dou-bled its sales, and each month has taken on at least 200 new employees. Others might talk of control-

ling such runaway growth, but Sun speeds ahead. The secret of its success lies in its ability to bring new products to market at a pace that leaves competitors Rejecting the conventional

ipproach to computer design, which involves the costly devel-opment of proprietary architec-ture, Sun uses industry standard chips or software, where they exist, and has attempted to estab-lish new industry standards

leaders of the PC market (IBM, Apple Computer and Compaq Computer), Sun will offer machines that are three times faster than the latest high-performance personal computers, but priced to compete directly with them at under \$10,000, according to industry insiders

Sun officials declined to dis-cuss future product plans, but



Under Scott McNealy, president, turnover of Sun Microsystems has doubled in each of the last six years, and 200 new employees now join the Mountain View, California company every month

according industry experts, the company's strategy is to wipe out the distinctions between work-stations and PCs by offering a computer that can perform both

Already tha distinctions between a workstation and a high-performance PC are vague. Both are desk-top machines powered by microprocessors. The dif-ferences lie in the tasks each are generally used to perform. While PCs are commonly used in a wide variety of office automation roles, workstations tend to be used for specialised tasks, such as computer aided design, financial analysis or scientific calcula-

Sun's first PC is expected to combine the ability to run both American Telephone & Telegraph's Unix, an increasingly popular operating system in the workstation market, with the standard IBM-compatible DOS operating system from the PC

The result will be a system capable of performing the analyt-

spreadsheet and word-processing

dards, and most high-performance PCs can if required run Unix applications. These machines, however, compromise performance to gain broader com-patibility.

workstation and PC worlds, Sun as forcing Sun to decide where its will take a radically different loyalties lie and what to do about approach. Breaking chipmaker its continuing Unix development Intel's hold on the PC market, project. Sun will power its machines not with the Intel microprocessors that have become a key compo-

nent of all IBM-compatible PCs but instead with its own Sparc microprocessor design. In order to run standard PC programs, special emulation software will be used to force the Sparc chip to pretend" it is a standard Intel

"Spare will change the nature

of tha desk-top computer mar-ket," says Mr Brian Halla, vice president of LSI Logic, one of five semiconductor manufacturers licensed by Sun to produce Sparc chips. The high performance and relatively low price of Sparc will make it an important contender in the PC market, Mr Halla predicts. And where Sun leads oth-

However, while Sun can build its workstation technology into PCs, it faces new challenges in marketing and sales distribution if it is to ultimately succeed in the PC market.

The splashy product launches and expensive advertising campaigns of the personal computer industry are, for example, new to Sun. The company must also adapt to selling some of its prod-

adapt to selling some of its prod-ucts through computer retailers, a major departure from its cur-rent direct sales approach.

In addition, as it attempts to broaden its markets, Sun cannot afford to lose sight of its core workstation business, where competition is mounting. Both competition is mounting. Both Digital Equipment and IBM are preparing major new products for the workstation market, while Sun's Californian neighbour, Silicon Graphics, on Tuesday unveiled a workstation with three-dimensional graphics for about half the price that Sun charges for an equivalent prod-

Sun must also weather the storm surrounding its relationship with AT&T. A year ago, Sun agreed to work together with AT&T to develop a "unified" ver-sion of the Unix operating sys-

Sun competitors and other Unix licensees felt, however, that Sun gained an unfair advantage through its relationship with ical calculations normally per-formed by a workstation, but equally able to handle popular etary version of Unix. Now the members of OSF, including IBM, programs designed for PCs.

This approach is not new. Sun already offers workstations that are compatible with PC stan- puter and software companies are discussing admitting AT&T

as a member.
This action might mend the industry rift, but it would neuerformance to gain broader com-atibility. To achieve the best of both relationship with AT&T, as well

Sun's expected bid for a piece of the PC market will form one side of what is shaping up to be one of the most spectacular battiles in the history of the com-puter industry. With the recent launch of workstation-like prod-ucts by Apple and Compaq a collision course has been set between the players in the work-station and PC markets. Digital's PC bid, Page 22

Fiat, Chrysler in distribution pact

By Alan Friedman in Milan

ITALY'S Fiat group has signed a letter of intent with Chrysler, the third largest US car maker, to form a 50-50 joint venture com-pany to distribute three models manufactured by Fiat's Alfa Romeo luxury car subsidiary.

The new company, which will begin operating in a year's time, will add a number of Chrysler's 460 US dealerships to the existing 160-dealer Alfa Romeo network in North America.

Fiat said yesterday the deal would see the sale of three Alfa models – the new three-litre Alfa 164 and the two models already on sale in the US, the Alfa Spider and Milano sedan.

and Milano Schan.

The group said it expected sales this year of 6,500 Alfa vehicles and is forecasting this number will rise to 10,000 vehicles in 1989 when the Chrysles in the catalytical states and the control of the catalytical states and the catalytical states are the catalytical states.

ler link is established.

The Fiat-Chrysler deal comes 28 months after Turin-based Fiat first confirmed it was in talks aimed at a commercial agree-ment with Chrysler. On Wednes-day, Fiat said the talks were going ahead, but were "still at a

meliminary stage."

The move, which was welcomed in statements issued yesterday by both Mr Lee Iacocca Chrysler chairman, and Mr Gianni Agnelli, Fiat chairman, comes five years after Fiat pulled out of the US market, having decided it could no longer sell its

An official said there were as yet no plans to try to return to the US market with either Flat models or those made by Lancia,

its upmarket subsidiary.

Mr Iacocca, in a joint statement, said: "This joint programme between Alfa Romeo and Chrysler-Plymouth is an especially and an especially and an especially and an especially and an especially and an especially an especial especially an especial especially an especial especially an especial especial especially an especial es cially good fit since both are aimed at upscale customers who appreciate high-quality, luxury "It combines Fiat's recognised

design expertise with Chrysler's strong marketing and distribu-tion capabilities in the North Mr Agnelli, meanwhile, was quoted as saying the agreement would allow Alfa Romeo to

strengthen the dealer network and increase distribution efficiency. Flat said last night that it could not disclose details of the new venture company as matters

manufacturing, production and

had still to be finalised. The group said it had high hopes for the Alfa 164 model, which in Italy costs I.48.7m (\$35,000).
Fiat acquired Alfa Romeo at the end of 1986 from the state-

owned IRI-Finmeccanica group after a highly politicised takeover campaign that pipped the Ford Motor Company at the post. The Alfa 164 model was nearly ready for launch when Fiat took control of the company in Janu-

Eastern Air near to route sale

By Anatole Kaletsky in New York

EASTERN Air Lines, the already been settled. strife-ridden US airline, seemed yesterday to be on the verge of a \$300m sale of routes to Mr Donald Trump, the flamboyant New York property developer. The heavily loss-making unionised subsidiary of Mr Frank Lorenzo's Texas Air Corporation was also rumoured to be in talks with Mr Carl Icahn, another of Wall Street's most effective corporate raiders, about a possible take-

Mr Trump said publicly yester-day that he was nearing an agreement with Mr Lorenzo, to buy Eastern's most profitable business - the New York, Washington and Boston shuttle operation. A contract could be signed "as soon as next week", Mr Trump said, while executives involved in the talks added that a price of around \$300m had

Meanwhile, in a separate and more surprising development, strong rumours circulated on Wall Street that Mr Icahn, who already owns Trans World Airlines, was negotiating with Lor-enzo and Eastern's unions about the possibility of buying the airline, either in part or as a whole. Such a deal would leave Texas Air to run its non-unionised sub-

sidiary, Continental Airlines, while leaving Mr Icahn to consol-idate what might become the biggest airline network in the US. Mr Icahn, who declined to comment on the matter, was said to have been approached by the representatives of Eastern's unions The unions have been locked in combat with Mr Lorenzo since he took over the airline two years ago. Their hope was to persuade Mr Icahn to buy Eastern from the

outspokenly anti-union Mr Lor enzo. They were said to be offering Mr Icahn concessions on wages and work rules in exchange for guarantees on union recognition and labourmanagement relations.

It was a very similar situation that originally led to Mr Icahn's entry into the airline business in 1986. When TWA was threatened by a takeover bid from Mr Lorenzo, the unions turned to Mr Icahn who ended up buying the

However, many analysts on Wall Street remained sceptical yesterday about the likelihood of Mr Lorenzo selling Eastern. For years, Mr Lorenzo has been

buying up air carriers in order to assemble the country's biggest airline holding company and establish clear market leadership







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Only speculate with funds you can afford to lose.

Digital plans to re-enter personal for TW computer market

DIGITAL EQUIPMENT, the second largest US computer

second largest US computer company, is planning to reenter the personal computer market through an agreement with Tandy, a leading US producer of personal computers.

Under the terms of the agreement, Tandy will design and manufacture a personal computer to Digital's specifications. Digital will sell the personal computer under its own sonal computer under its own name. The companies have also agreed that Digital will service Tandy personal computers owned by Digital's cus-

Digital withdrew from the personal computer market four years ago due to poor sales of its own Rainbow personal computer range. The company's strategy has however been to provide connectivity software that enables users to link their personal computers to Digital's

minicomputers.

Last year Digital signed a major joint technology development agreement with Apple group.

Computer, aimed at providing software to link Apple's Macin-tosh into Digital computer net-

works.
Digital also announced yes terday that it is offering soft-ware to link up with IBM's lat-est personal computers, the Personal System/2 range based on the Microchannel The agreement with Tandy

will however provide Digital
with its own brand of personal
computers. The machines are
expected to be based on industry standard hardware and software making them compatible with a wide range of soft-

"With this agreement, we will broaden and further enhance that full range of products. As a result, we will offer our customers, especially those who prefer a single ven-dor solution, industry-standard PW with Digital's worldwide service and support," said Mr Dom LaCava, vice president of Digital'e low end systems

Deposits rose 6.7 per cent in the first half while lending increased by 10.4 per cent. The bank said there had been signs

of a recovery in the corporate loan business while loans to individuals had risen by 26.8

per cent in the bank's domestic

network.
Increased competition had

weighed on loan margins,

while revenues from customer

securities operations had also declined as a result of the gen-eral stock environment. How-

ever, Société Générale said

alised credit activities.

Société Générale raises net earnings by 22.6%

By Paul Betts in Paris

SOCIETE GENERALE, the large privatised French banking Group, reported yesterday a 22.6 per cent increase in overall first half net profits to FFTL64bn (\$257m) and a 21 per per cent of the bank's country risks at the end of last year.

Deposits rose 6.7 per cent in cent increase in first half net earnings excluding minority interests to FFr1.44bn.

France's fourth largest banking group said yesterday that first half profits had to be com-pared with results for the whole of last year rather than with the first half only because two subsidiaries, Crédit Gén-eral Industriel and Sogen Fiditalia, were not integrated in the consolidated accounts in the 1987 first half period.

Comparisons for the latest first half period have thus been based on half the results for the whole of last year. Societé Générale said provithere had been a strong devel-opment in its market operations and in its speci-

sions in the latest period were strengthened by FFr2.9bn and sovereign state debt risks had

Overall net interest and com-mission income totalled FFr15.23bn

Coniston bids \$1.3bn **Services**

By Roderick Oram in New York

TW SERVICES, a leading restaurant and institutional food service group once a part of Trans World Airlines, has received a \$28 a share \$1.3bn takeover offer from a group of investors led by Coniston Part-

Shares of the New York com-pany rose \$13, to \$265, yester-day, capping sharp gains in recent weeks. Bid speculation had been growing since Mr Ronald Perelman, the corpo-rate raiding chairman of Rev-ion, the US counties group, sold a 15 per cent stake in TW to Coniston at \$19 a share three weeks ago.

to Coniston at \$19 a share tince weeks ago.

SWT Associates, the Coniston led investment group, currently holds 19.1 per cent of TW's shares acquired at an average price of \$19.80 each.

SWT said it was seeking a friendly merger with TW'e management taking an equity interst. TW said it would resoond in "due course."

interst. TW said it would respond in "due course."

Originally, TW was part of Trans World Corporation but the sirline was spun off in 1983 and the parent company itself broken up in 1986 when TW was floated as a New York Stock Exchange company.

Under its well respected management, TW's net profits soared last year to \$58.5m, or \$1.16 a share, from \$15.7m, or \$6 cents a share. Revenues jumped to \$2.48bn from \$1.92im reflecting the acquisition of Denny's, a leading national chain of coffee shops and low-cost family restaurants.

Last year, 36 per cent of sales were derived from res-taurants including Denny's, Quincy's steak house and the Hardee's hamburger chain. Another 50 per cent came from institutional food services such as vending machines, conces-sions and cafeterias. The remaining 5 per cent came mainly from nursing homes. "It's quite a fair offer," said Mr Noel Sloan, an aniyst with Kleinwort Benson Securities in London, He said the company has an "excellent man-agement" which has done a creditable job of turning round Denny's. "TW are doing very well on their own; they don't need Coniston."

Airlines join forces for market-share war

Michael Donne examines the collaborative agreement between SAS and Texas Air

THE COLLABORATIVE United has Covia/Apollo. Pars agreement announced this is to be combined with fine is to be combined with fine canadian Gentini system, owned by Air Canada and Canadian Airlines Interna-Airlines System and Texas Air of the US reflects not only SAS's desire to expand its US links, but an industry trend which is developing in the flerely competitive battle for increased shares of the grow-ing world air travel market.

The US giants, Texas Air itself, which includes Conti-

nental and Eastern, American Airlines, Delta, Northwest, Trans World and United, are expanding their international operations, and other leading world airlines are having to take protective action to counter this strategy. The non-DS arrines, includ-

ing many in Western Europe, the Far East and South-East and will be an increasingly competitive climate by seeking to enlarge their activities and

to enlarge their activities and their market influence.

One of the most popular col-laborative arrangements has been the creation of large groups of sirlines sharing com-mon computer reservations systems (CRS), to enable them to win bigger shares of the rap-idly expanding passenger mar-ket. In the US, American Air-lines has evolved the Sabre system, and Delta is marketing its Datas; Northwest and Trans World have the Pars system; Texas Air has System One, and

Elsewhere, the Abacus CRS includes Cathay Pacific, Singapore Airlines and Thai International. Amadeus takes in Air France, Air Inter, Brasthens of Norway, Emirates, Finnair Iberia, Icelandair, JAT and Adria of Yugoslavia, Linjeflyg of Sweden, Lufthansa, SAS and

of Sweden, Lufthansa, SAS and Texas Air.
Fantasia includes Japan Air Lines and Qamiss of Australia and the Galileo system, Aer Lingus, Alitalia, Austrian, British Airways, Covia (United), KLM, Olympic, Sabena, Swissair and TAP (Air Portugal).
Some of these groups have cross-links, such as Amadeus buying software from Texas buying software from Texas Air's System One, and Abacus having links with both Ama-deus and Pars. British Airways on its own behalf has bought a

stake in United's Covia, although both airlines are also in the Galileo group. In addition to the growth of these group systems, many of the larger sirlines are attempt-ing to develop operational and marketing agreements among themselves. Their aim is to extend their effective areas of operation without actively seeking new routes which might be impossible to win. In



Jan Carlzon: moving SAS's base in US to Newark

the US for example internal domestic routes are jealously preserved for American carri-

SAS has long sought to widen its sphere of influence, with talks on amalgamation with Sahena of Belgium, and late last year by seeking a hig-share stake in the then-ailing British Caledonism. Thwarted in both ventures, especially by BA buying BCal, SAS has looked elsewhere. It is

discussing purchase of a 40 per cent equity stake in Aerolineas of Argentina, while it is also reported to be among airlines,

including Air France and Iberia, interested in acquiring stakes in Pluna of Uruguay and Varig of Brazil.

SAS also has a close relationship with That International,
and is working to achieve
closer ties with Qantas of Ans-

The SAS-Texas Air deal, The SAS-Texas Air deal, involving a \$100m investment in Texas Air by SAS, with Mr Jan Carlson, SAS president, joining the Texas Air Board, will involve SAS moving its US base from Kennedy Airport, New York, to Newark, New Jersey, to benefit from direct links with a large number of US cities served by Continental, a Texas Air subsidiary, which also extensively serves which also extensively serves the Pacific Basin. As a result Texas Air group

will benefit from SAS passengers who want to fly on to other destinations in the US and even the Pacific region. The SAS-Texas Air arrange-ment thus rivals in scope the

extensive marketing deal reached nearly a year ago between British Airways and United Air Lines of the US. In the latter, although there was no direct financial investment involved, each airline agreed to promote and sell seats on the other, and to share facilities in such centres as Seattle, Washington and New York, co-ordinate schedules, and offer joint-pricing and joint. marketing programmes.

An intrinsic part of the BAUnited agreement involves
"code-sharing" – listing cartain flights in their respective
computer reservations systems
as joint BA-United operations,
thereby gaining bigger market

shares.
The result has been effectively to create a large global airlins operation, marrying BA's extensive Atlantic, European, African, Middle East, South American, South-East Asian and Far Eastern networks with the big United network throughout the US and the Pacific Basin.
This will now be rivalled by the SAS-Texas Air operation, which will become even higger.

which will become even higger if the SAS's plans for South American links come to frui-

But BA has also made clear that it intends to continue wid-

that it intends to continue widening its own sphere of infinence, and that other marketing
deals, or acquisitions, with
other airlines are being
actively being pursued.

BA recently bid for a stake
in Air New Zealand. This
remains on the table, while the
New Zealand Government
explores closer ties between
ANZ and Qantas of Australia.
BA is also discussing marketing arrangements with other
shilmes, one of which is understood to be Lacsa of Costa stood to be Lacsa of Costa

Enichem unveils spectacular rise in profit

PROPERTY OF THE SECRET SPECIAL WAY WAS ARRESTED FOR WASHINGTON

By Alan Friedman in Milan

MR LORENZO Necci, chairman of Italy's state-owned Enichem chemicals group, yes-terday unveiled some spectacular profits for the first half of 1988 and issued a strongly-worded call for Europe-wide rationalisation in the chemi-

A continuing drop in raw material costs and buoyant damand for base chemicals and petrochemicals contributed to a L261bn (\$188m) net profit at Enichem in the first six months of this year, which is double the net profit Enichem the first half of last year.

made in the whole of 1987 and compares with a L32bn loss in like the private sector Mon-tedison, which recently unveiled its own sharp profits rise, Enichem is reaping the

benefits of a generally improved world market in petrochemicals and specialty

Enichem's profit increase was struck on the back of a 19 per cent rise in consolidated revenues, to L3,558hn (\$2,5hn). The bulk of this rise in turnover came from base chemicals and plastics, which accounted for 51 per cent of Enichem revenues in the first half.

Another key contributor to Enichem profits was the European Vinyls Corporation (EVC), the joint venture polyvinyl chloride (PVC) producer that was formed in 1986 with Britain's Imperial Chemical Industries (ICI). Enichem took 50 per cent of the L180bn of pre-tax profits made by EVC in the first six months of 1988, on

L540bn of turnover. This result compared with a total EVC profit of just L20bn on L450bn of PVC sales in the first half of

Around 40 per cent of Eni-chem turnover came from sales outside of Italy.

The company's synthetic fibres and fertilisers divisions remained in loss in the first six months, although Enichem said these losses amounted to less than L10bn. Enichem's debt burden - net of cash bal-ances in banks - stood at L1,900bn.

Mr Necci said that after years of restructuring, the drop in oil prices and other raw materials costs was now giving Enichem "fabulous operating margins, the highest ever." He claimed that Enichem's perfor-

mance was in line with the return realised by competitors in other countries. The company only achieved its first break-even result in 1986.

While declaring the outlook extremely favourable Mr Necci took pains to demand that the

European chemicals industry undergo further restructuring. There are more than 16 producers of PVC in Europe today, with only five or six in the US. There are decisively too many PVC producers in Europe and

much more Europe and much more Europe wide rationalisation is needed."

The only subject Mr Necci was not prepared to discuss yesterday was the state of play on the joint venture chemicals discussion of the point venture chemicals distributors will be created pendent distributors would combine well with its policy of

Tyco Labs to sell Mueller for \$366m

INVESTCORP, a Bahrain. based bank, has arranged the sale of Mueller, a leading maker of valves, hydrants, pumps and fittings in the US and Canada, to Tyco Laboratories for \$56500

mies for \$366m.

Mueller had been jointly owned by its management, which held 30 per cent of the company, and a group of US and international investors arranged by Investoorp, which held 70 per cent. Investcorp said Mueller's sales for the year to November 30 would

1,500.

27 1741 174

والمنصد والأراء

22.67

next January by merging Eni-chem with part of Montedison. selling through wholesalers.

This amountement appears as a matter of record units.

NEW ISSUE

6th October, 1988

FURUNO

FURUNO ELECTRIC CO., LTD.

U.S.\$50,000,000

5 % per cent. Guaranteed Notes 1992

Warrants

to subscribe for shares of common stock of Furuno Electric Co., Ltd. The Notes will be unconditionally and irrevocably guaranteed by

> The Fuji Bank, Limited Issue Price 100 per cent.

Yamaichi International (Europe) Limited

Fuji International Finance Limited

Citicorp Investment Bank Limited

Nomura International Limited

ANZ Merchant Bank Limited

Robert Fleming & Co. Limited

Merrill Lynch International & Co.

Kleinwort Benson Limited

Morgan Grenfell Securities Limited

Salomon Brothers International Limited

J. Henry Schroder Wagg & Co. Limited

Baring Brothers & Co., Limited

Goldman Sachs International Corp.

Mitsubishi Finance International Limited

Kuwait International Investment Company s.a.k.

Nippon Kangyo Kakumaru (Europe) Limited

Sanwa International Limited

Towa International Limited Yamatane Securities (Europe) Ltd.

NEW ISSUE

the control of the co



MARUDAI FOOD CO., LTD.

U.S.\$100,000,000

51/s per cent. Bonds 1992

Warrants

to subscribe for shares of common stock of Marudai Food Co., Ltd.

ISSUE PRICE 100 PER CENT.

Daiwa Europe Limited

Deutsche Bank Capital Markets Limited

Kleinwort Benson Limited Norinchukin International Limited

Banque Indosuez

Daiwa Bank (Capital Management) Ltd.

The Nikko Securities Co., (Europe) Ltd.

Sumitomo Trust International Limited

Sumitomo Finance International

Nomura International Limited

Bankers Trust International Limited

Barclays de Zeote Wedd Limited

Merrill Lynch International & Co.

Salomon Brothers International Limited

Wako International (Europe) Limited

OCTOBER 7 h

yeo Labs to ell Mueller or \$366m

15 1

Military in the Control of the Contr

100 M 122 M The state of the s FEBRUARY L

Driefontein Consolidated Driefontein Consolidated Limited (Registration No. 68/04990/06) MISUED CAPITAL: 204 000 000 shares of 50 cents each, fully paid.

31 124 259,90 Gold - West Delefontein Ore milled (i). 606 000 720 000
Gold preduced (kg) 6735.5 7 200,0
Yield (g/t). 9,8 70,0
Price received (R/kg) 34.058 51 602 228 459 Profit (\$000) 130 753 FINANCIAL RESULTS (ROOO) 302 863

322 493 163 911

Profit before text and Some's share of profit 352 291

19 640

DEVENDEND. A dividend (No. 30) of 120 cents per share was declared on 7 June

unies below the collar on 22 Level, 44 Level Station was excavated and supported. No. 1 Tertiary Shaft.K. All the winder chambers have been excavated and asponted. The cross-size from 34 Level has reached the elevation of the transfer level and a start has been made on the excavation of this level. Shoing of the headgear position of the shaft is in progress.

No. 8 Shafe W. All the fans have been commissioned and the shaft is now fully operational to provide ventilation for the area. No. 9 Sub-Vertical Shaft-W. The access winze has reached 23 Level

elevation. A rock pass from 22 to 21 Level was completed and a start has been made on the excavation of the hoist level (21 Level). Work continues on the 22 Level PRODUCTION Production was adversely affected by a fire which broke out on 4 July 1988. The fire was contained and subsequently extinguished by water sprays and form. The sfficced faces are being rehabilitated and production should restain during the next quarter. A claim in respect of the loss of production has been lodged with the

· · · · On behalf of the board

Northam Northern Pistinum Limited (Registration No. 77/03282/06) ISSUED CAPITAL: 28 800 000 shares of 1 cent each, fully paid.

33 179

CAPITAL EXPENDETURE. The unexpended belance of an expendium at 30 September 1988 was \$676,6 million. No. 1 Shorts-Z. The short was sunk 257 metres to a depth of 1 277 metres below collar. The development of the intermediate pump chamber was completed. No. 2 Shaft-Z. The shaft was sunk 110 metres to a depth of 1 457 metres below

coller. The stations on 3 Level and 4 Level were excessed and lined. Development on the waste pass position on 3 Level was completed and the waste pass between 2 and 3 Levels was raise-boxed. SHARE CAPITAL. The issued share capital was increased by 14 400 000 shares during the quarter pursuant to the rights offer made to shareholders.

On behalf of the board. A. J. Wright
M. J. Tagg

for the quarter ended 30 September 1988

Group Precious Metal Mining Companies' Reports

Vlakfontein Viskfontein Gold Mining Company Limited (Registration No. 05/06155/06)

ESSUED CAPITAL 6 800 000 shares of 20 cents each, fully paid. OPERATING RESULTS 29:347 74.6 25 31:139 79:23 76:84 Profit (R/t milled) 193 1 010 CAPITAL EXPENDITURE

DEVELOPIND. A dividend (No. 84) of 15 cents per share was declared on 7 June 1988 and was paid to members on 3 August 1988. EMOGGEBULT PROPERT, The decline advanced 63 metres to a depth of 523 metres. Development is in progress on 3 Level and stoping operations are continuing above 2 Level.

On behalf of the board

Libanon

Libanon Gold Mining Company Limited (Registration No. 05/0681/05)

						Quarter ended 30 Sept. 1988	Quarter ender 30 Juni 1986
OPERATING RESULTS							
Gold							
Ore milled (t)						435 000	435 000
Gold produced (leg)						1 827,0	1 740,5
Yield (g/t)						4,2	4.0
Price received (R/kg)		•				34 075	31 712
Revenue (R/t milled)						143.31	127.02
Cost (B/t milled)						111,49	111,55
Profit (R/t milled)						31,82	15,63
· Carlo Allanda						6.5	
Revenue (ROOO)	•	•	•	•	•	62 339	55 251
Cost (2000)	•	•	-	-	٠	48 497	48 454
Profit (R000)	•	•	•	•		13 842	6 797
PENANCIAL RESULTS (ROSS)							
Working profit Gold						13 842	6 797
Net amely sevenue						1 572	1 673
Profit before tex and State's share of							
profit						13 414	8 470
Tax and State's share of profit	•	•	•	•	•	3 737	(5 003
And and access made of profit.	•	•	•	•	•		() 000
Profit after tex and State's shan	:						
of profit	•	•	•	•	•	11 677	13 473
Capital expenditure						6 044	8 073
Dividend	•	•	•	•	•	_	20 000
CAPITAL EXPENDITURE. The ones expenditure at 30 September 1988 was DIVIDEND. A dividend (No. 75) of 50	nı	3,6	mi	Bo	n.		
		- 2	-				

Venterspost Venterspost Gold Mining Company Limited (Registration No. 05/05632/06)

			•								1988	1968
OPERATENG RESULTS												
Gold .												
· Our milleri (t).					•		٠	-			405 000	<i>390 000</i>
. Gold produced (leg)							•	•	•		1 498,5	1 482,0
Yield (g/t)		•	•	•	•	•	•	•	•	•	3,7	3,8
Price received (R/kg	ø.	•	•	•	•	•	-		-	-	34 336	31 345
Revenue (R/t milled)	٠.										127,29	119,23
Cost (R/t milled)).		•		•	•	•	-	-	•	120,03	109,87
Profit CR/t milled) .		-		-		-	•			17,26	9,36
Revende (9000)		٠.					٠.				51 555	46 503
Cost (2000)		:		-	-	•	•	-	-	•	44 563	42 85I
Profix (R000)			•	•	•	•			•	:	6 992	3 652
FINANCIAL RESULTS ((B00	0)										
Working profit Gold .	٠.		•	•	•	•	-	•	•	•	6 992	3 652
Net madey revenue .		•	•	•	•	•	-	•	•	•	1 432	1 336
Profit before tex											8 424	5 038
Tax		-		•	-	•	•		•	÷	2 941	(3 E90)
Profit after tex		•	•	•	•		•	•	•		5 483	8 728
Capital expenditure		_	_	_	:					_	1 242	4 990
Dividend		•	•	•			٠.	•	•-			10 100
CAPITAL EXPERIORIUM expenditure at 30 Septem DIVIDEND. A dividend (1988 and was paid to me	iber (No.	19) a	w ₂	00	134	15 15	er :	die	D.		on 7 june
									ſ	Tags		
												Necros

Doornfontein

Doornfootein Gold Mining Company Umited (Registration No. 05/24709/06)

												ende	d	anded
												30 Sep 198		30 June 1988
OPERATING MES	ULIS													
Gold														
Ore milled (t).												366 00	0	363 600
Gold produces		-	•	•	•	•	•	•	•			1 747,		1 928,1
Yield (g/t)		•	•	•	•	•	•	•	•	•	•	4,		5.3
Price received			•	•	•	•	•	•	•	•	•	33 99		31 852
Revenue (R/t u			•	•	٠	•	•	•	•	•	•	162,5		169,09
Cost (E/t n	ollied)	•	•	•	•	•	•	•	•	•	•	149,6	7 -	140,71
Profit (E/t n	office()											12,8	6	28,38
													-	
Revenue (2000		•			•		•					59 46	-	61 481
Cost (R000). ·	•	•	٠	•	•	•	•	•	•	•	54 77	•	51 163
Profit (2000)		_		_		_	_				4 79		10 318
			-		•	٠	•	•	•	·	•		-	
FINANCIAL RESU	LIS (S	000)											
Working profit: G	iold .											4 70		10 318
Net sundry severs	œ .	•		-	•	•	•	-	•	•		1 55	•	1 605
Profit before tex			-	_		£								
profit					•	•	•	•	•	•	•	6 26		11 923
Tax and State's si	ance of	pa		•	•	•	•	•	•	•	•	75		820
Profit after tax	and t	Kat	e's	ď	-	re			•					
of profit	٠.	٠	•	-	٠	•	•	•	•	•	٠	5 483	· _	11 103
Capital expendito	æ.											6 427	7	5 980
Dividend				-					•			-	•	10 000
CAPITAL EXPERI Expendituse at 30 %												of autho	xised	capital
DIVIDEND. A divid 1988 and was paid o											re v	vas declar	ed or	7 June
									Or	b	ehal	f of the b	ourd	
										L	Vrig	he	1 -	recipes

Kloof

Kloof Gold Mining Company Limited (Registration No. 64/04462/06) INSUED CAPITAL: 121 100 000 shares of 25 cents each, fully paid

													Quarter ended 30 Sept. 1988	Quartee ended 30 June 1966
OPERATE	G RESULT	3												
Gold														
Ore m	Bed (t)												540 000	540 000
	coduced (k	B)											7 235,5	7 290,0
	g/t)		-	•	-	-	-	-	-	•	•	•	13,4	23,5
	socied (R/	_		•	•	•	•	•	•	•	-	•	33 968	31 936
	e (R/t mille			٠	٠	٠	٠	٠	•	•	٠	٠	455,92	431,96
COST	(R/t milie	a)	٠	•	•	•	•	-	-	-	•	•	157,71	152,41
Profit	(R/t milic	d)									•		298,21	279,55
Revenu	e (RD00) .												246 197	23.1 256
Cost	(R000) .	:											85 163	82 300
Profit	(R000) .												161 034	150 956
FERANCIA			000))										
	profit: Gold	•	•	•	-	-	•	-	-	-	•	•	161 034 6 849	150 956 6 665
NCI SURE	y revenue	•	•	•	•	•	•	•	•	•	•	•		
	ore tax and	St	de'		hau	= 0	Æ							
profit			•		•	•	٠	•	•	•	•	•	167 883	157 621
130K SING 5	state's share	: OE	Po			•	•	•	•	•	•	•	42 048	21 369
	ter tex an	d S	ter	e'		he	r¢							
of pro	At	•	•	-	•	•	٠	٠	•	•	•	•	125 835	136 252
Capital ex	penditure												90 501	107 274
Dividend													_	96 890
issue of d	lebentures	-	-			•		•			•		16 350	
CAPITAL E	XPENDITO	UEL	E.											
	expended b				an)	the	xk	ed	cal	oica	10	фа	diture at 30 s	September
(b) include	d in the	tot	1	of									or the quan	
DIVIDEND 1988 and wa												tre v	vas declared	on 7 June
													de on the hol aid on 1 july	
SHAFTS														
Kloof														
72 metres be													nave reached headgear is c	
progress.														
Lecudoorn														

collar, 23 Level Suston has been established and a holing has been effected with development from the Kloof Division. No. 1 Sub-Vertical Shaft-L. The headness portion of the shaft was sliped to a

M. J. Tagg

On behalf of the board

Deelkraal

Decilcraal Gold Mining Company Limited (Registration No. 74/00160/06) ESSUED CAPITAL: 99 540 000 shares of 20 cents each, fully paid.

													Quarter	Quarter
													ended	ended
													30 Sept.	30 June
													1986	1988
DEBLATIN	C WREET	IT4		•										
Gold														
Ore mil						•	•	•		•			405 000	390 000
	oduced			-		-							2 430,0	2 296,0
	/O			•	•		•	-					6,0	5,9
Price re	ceived (1	V/ag	ο.	•	•	•	•	•	•	•	٠	٠	34 048	31 074
Revenue	(R/t mi	tied)) .										204,63	183.20
Cost	(R/t mi	licd.	٠.	•	•	•	•		•				99,20	95,06
Profit	(R/t mi	iled)	٠.			•							105,43	88,14
Bruena	(R000)												82 875	71 451
Cost	(8000)		•	•	•	•	•	•	•	•	•	•	49 176	37 075
-	(11100)	٠.	•	•	•	•	•	•	•	٠	٠	•		
Profit	(R000)	٠.	٠.		•	•	•	•	•	•	•	•	42 699	34 3.76
MANCIAL	RESUL	rs (800	0)										
Working p	roße Go	M.											42 699	34 376
Not sunda	PETERIUS			•	•	-	-	•	-	-	•	٠	3 148	2 670
Profit befo	ne tax a	ad S	nane:		ha	re c	Æ							
brogs					•		•	•			•	•	45 847	37 046
Tax and S	are's sha	ne o	f p	D O	t.	•	•	•	•	•	•	•	2 962	1 168
Frofit aft	er tax s	end.	Sta	tc'		he	rę							
of prof	k	٠.	٠	٠	٠	•	•	•	•	•	٠	-	42 885	35 858
Capital ext	enditur												13 986	22 332
Dividend													_	44 793
CAPITAL E													of authorise	ed capital
DIVIDEND. 1988 and was	A divide	nd (No.	11	00	34	5 с Ме	eni jusi	3 p	er 68	stra	HE Y	was declared	on 7 June
to. 3 SHAP	T													
re-sinking o	pendon	s ha	TE F	erc	he	d a	de	pt	o	78	8	CLIT	26.	
the man win	J						-						land Dames	

OF SOUTH AFRICA LIMITED

Note: Copies may be obtained from the United Kingdom Registran: Hill Samuel Registrars Limited, 6 Greencoat Place, London, SW1P 1PL

6 October 1988

On behalf of the board

Directors



AIBD Reporting Requirements

United Kingdom-based members of AIBD will have to report all transactions in international securities to the Association from April 3, 1989. AIBD reporting dealers and inter-dealer brokers will have to report transactions with professional counterparties from January 3, 1989.

> On October 1, 1988 new AIBD rules will come into effect that impose reporting requirements on members of the AIBD which carry on investment business in the United Kingdom and who are subject to a requirement to report transactions in international securities under rules made pursuant to, or by any self-regulatory organization recognized under, the Financial Services

> Members falling in that category must subscribe to the AIBD Trax system for the purposes of transaction matching and must report to the AIBD every transaction in international securities, whether or not entered into with a member of the AIBD.

> AIBD reporting dealers must, from January 3, 1989, report via Trax every transaction in international securities entered into with another reporting dealer or an inter-dealer broker. Inter-dealer brokers must from the same date report all transactions in such securities with reporting dealers.

Details of the rules will be mailed to members early

It is imperative that members affected by the new rules have appropriate resources in place to connect to Trax by the dates applying to them. For further information on Trax members are asked to contact AIBD (Systems and Information) Limited in London on 538 5656.

> John Wolters Secretary General

This announcement appears as a matter of record only.

NEW ISSUE

6th October, 1988



TAISEI ROAD CONSTRUCTION CO., LTD.

U.S.\$80,000,000

5% per cent. Guaranteed Notes 1992

Warrants

to subscribe for shares of common stock of Taisei Road Construction Co., Ltd. The Notes will be unconditionally and irrevocably guaranteed by

> The Fuji Bank, Limited Issue Price 100 per cent.

> Yamaichi International (Europe) Limited

Fuji International Finance Limited

Deutsche Bank Capital Markets Limited

Yasuda Trust Europe Limited

Bayerische Vereinsbank Aktiengesellschaft

Citicorp Investment Bank Limited

Daiwa Europe Limited

Daiwa Bank (Capital Management) Limited Kleinwort Benson Limited

KOKUSAI Europe Limited

The Nikko Securities Co., (Europe) Ltd.

Salomon Brothers International Limited SBCI Swiss Bank Corporation Investment banking

J. Henry Schroder Wagg & Co. Limited

Société Générale

Taiheiyo Europe Limited

INTERNATIONAL COMPANIES AND FINANCE

Valeo in drive for critical mass

Paul Betts on acquisitive ambitions at the car components group

aleo's hostile FFr2.4bn (\$378.5m) bid for 60 per cent control of Epeda-Bertrand Faure marks a significant new chapter in France's long and arduous effort to secure a strong and concen-trated independent French car components industry.

Since the early 1970s and with the strong encouragement of the French authorities, Valeo has been at the centre of a broad restructuring of the French car components sector. Before falling two years ago

under the management control Mr Carlo De Benedetti, the Italian businessman, the French group had absorbed a series of domestic car components companies, including SEV-Marchal, Paris-Rhône, Motorola-Alterna-teurs and Ducellier.

The bid for Epeda, the leading French car seat manufacturer, is also part of the general strategy to build up Valeo's critical mass while rationalising further the French industry through greater concentration. But Mr Noel Goutard, the

tough former Schlumberger and Thomson executive appointed by Mr De Benedetti two years ago to run Valeo, has emphasised significant dif-ferences between the Epeda bid and the rationalisations and

acquisitions of the pest.
Until now, Valeo had largely
absorbed companies with
operations similar to its own, leading to costly rationalisations and internal restructur-ing which weighed heavily on Valeo's balance sheet and financial performance.
"But with Epeda we would

expensive restructuring because our activities are complementary," Mr Goutard said. He added that Valeo, unlike Epeda, did not make car seats, while the other activities of the takeover target - including luggage and bedding and military equipment – were also of interest to the group. Mr Goutard explained that

not need to launch any new



car manufacturers were now increasingly looking for strong independent car component suppliers which could provide suppliers which could provide not just single components for car-plant assembly but entire packages and systems for spe-cific sections of a vehicle. Epeda, he said, was an undis-puted leader in this field in Europe, both in terms of vol-ture (its car seat sales total

ume (its car seat sales total about FFr4bn a year) and in terms of technology and manufacturing processes.

Apart from the good business fit, Epeda also fulfils Mr

Goutard's other key objective.
"Volume and market share are vital in this industry." he stressed. The two factors could support the growing need for higger investments and research and development by car components manufactur-

He added that components groups must also adapt to a sharp increase in the number of new models produced by car manufacturers. At the same time, the big car groups were keen to see their main components suppliers establish man-ufacturing operations close to their car assembly plants. Mr Goutard has wasted little

time in both strengthening Valeo's financial base and expanding its car components operations.

strategic element. When he took over, the com-pany was in fragile financial pe as a result of years of costly restructuring and softmanagement.

His strategy was, in his words, "simple" - clean up the balance sheet and complete the restructuring while simultaneously boosting the business through internal growth. ness through internal growth, joint ventures and acquisi-

The financial recovery was achieved in barely 18 months. Sales in the last two years have grown from FFr12bn in 1986 and 1987 to an estimated FFr16bn this year.

Valeo has just reported first-half profits of FFr535m com-pared with profits of FFr440m for the whole of last year and a loss of FFr388m in 1986, Debts have fallen from about FFr3.5bn two years ago to a little over FFr500m.

Mr Goutard has also completed the recentring of Valeo's activities around its core car components husiness. "Our business today is 100 per cent in cars. When I took over, 10 per cent of our sales were still outside the automobile sector.

A t the same time, investments have climbed from less than FFr500m in 1986 to some FFr1.5bm this year, about 10 per cent of sales. Spending on research and development has risen from per cent to 4 per cent of total

And although sales have risen sharply, the workforce has remained at the same level as two years ago.

Although Valeo now ranks

as the second largest car com-ponents group in Europe, after Bosch of West Germany, Mr Goutard said his company remained a "relative gnome" in

the world league.
We are in a global industry and the car makers are all erations. "With FFr16bn sales we are "Speed," he said, "is also a microscopic when you consider

7 per cent rise in deliveries to

peam car components industry currently total about FF-120bn and that it is likely to grow

into a FFr600bn industry in Europe ever the bext 10 years. Mr Goutard said Valeo's annual sales must be set against Bosch's FF745hn sales in the car components sector alone; Nippon Densn with FF751bn; General Motors' components business with FFr144bn sales, of which FFF120n originate in Europe; and Magneti-Marelli's FF715bn sales (although these are backed by its Fiat parent, which has total group sales of

FFr175bn). It was for this reason that Mr Goutard immediately launched his expansion pro-

Since appointed to run Valeo, he has absorbed the radiator, car cooling and heat-ing systems businesses of the French Chausson group, acquired Nieman, another French components company,

and invested in ventures in: Turkey and South Korea. The Epeda takeover should boost Valeo's sales by a further FFr7.5bn to about FFr23.5bn, as well as hring into the group's mix of activities products such as car seats and

But Epeda's management has not appreciated Valeo's

unsolicited approach.

The company is organising its defences and claimed this week to have secured the backing of key shareholders accounting for 42 per cent of its capital.

The battle is likely to be fierce; especially since Mr Roger Fauroux, the French Industry Minister, has decided not to intervene in the affair and to let the market settle the outcome. But, if at the end of the day, Mr Goutard is thwarted in his hid, it is unlikely to discourage him from going on the takeover-prowl again in his efforts to build up Valeo's critical mass,

Build-up of stake denied by Paribas

By Paul Betts in Paris.

PARIBAS, THE French privatised financial and bank-ing group, described vesterday as "complete fiction" a series of rumours suggesting that the Pargesa-Bruxelles-Lambert group led by Mr Gerard Esken-azi and Mr Albert Frère had built up a stake of between 17 and 20 per cent in it.

Both Paribas and Parfin-ance, the French subsidiary of Pargesa, insisted that Pargesa had only increased its stake in the Paribas group of hard-core shareholders from an initial

shareholders from an initial 0.6 per cent to 2.7 per cent. The hard-core shareholding group currently accounts for 25 per cent of Paribas' capital. The rumours have agitated the Paris bourse. They are widely seen as an attempt to destabilise and unsettle the French financial group, which was privatised under the previous right-wing government. vious right-wing government and its present leadership.

Similar manoeuvres are targeted at other leading French groups, fuelled by personal ambitions and efforts to unsettle core shareholding structures set up under the previous

ous right-wing government.
Notwithstanding the deniais, Paribas and Pargesa are
clearly studying ways to
strengthen their existing collaboration. The two groups have long-standing historical links and Mr Eskenazi, a for-mer Paribas managing direc-tor, and Mr Michel Francois-Poncet, the Paribas chairman,

have strong personal ties.

Paribas confirmed yesterday
that it would welcome closer
links between the two groups
but emphasised that each group wanted to maintain and respect its own identity and independence. Paribas and Pergesa are already linked, for example, in Paribas-Suisse, the Swiss subsidiary 60 per cent controlled by Paribas in which Pargesa owns a stake of about

Pargesa owns a stake of about 30 per cent.
Paribas is now expected to intensify efforts to re-establish a network of alliances with key international financial groups as an integral part of its long-term strategy. This would clearly imply strengthening the links with Pargesa and Mr Eskenszi.
This had been one of the key

and Mr Eskenazi.

This had been one of the key aspects of Paribas' strategy before it was nationalised by the left in 1982. The French financial and banking group had established a large network of alliances with groups like Warburg in the UK, Power Corporation of Canada, and with a Hong Kong partner.

Th bank's system of building up international alliances was interrupted by the nationalisation and is now beginning to be re-activated following the privatisation of Paribas at the beginning of last year.

the beginning of last year.

Paribas also indicated yeaterday that it would report a strong rise in first-half profits at the end of this month.

Arbed posts sharp recovery mid-stage

By William Dawkins in Brussels.

ARBED, THE Luxem year, bringing the number of bourg-based iron and steelmaker, yesterday unveiled a sharp turnround into profit for the first half of 1988 and forecast steel industry entered the last. that full-year results would show a continued improve-

Its swing to a LFr635m (\$16.2m) net profit against a LFr1.7bn loss in the 1987 first half indicates that the upturn in European steel demand is spreading from flat products to long sections - mainly for the construction industry - in which Arbed specialises.

The announcement comes a day after the publication of European Commission esti-mates that crude steel production in the European Community would rise 6 per cent this year to 133m tonnes: However, Arbed's results also reflect a record improve-

ment in productivity, an average of 4.6 man hours per tonne of finished steel against the previous best of 4.9 man hours per tonne set in 1985.

Christiania

Bank increases

operating profit

CHRISTIANIA BANK, one of Norway's largest banks, lifted its eight-month operating profit before provisions to NKr879m (\$127.5m) from NKr712m in the same period last year, with help from improved interest rate margins and reduced costs.

But in spite of unchanged loan volume, the bank was still forced to make write-offs of NKr650m in the period, against NKr637m in 1987. Although interest rate margins have improved this year, Christiania said trends indicated that prosperts were not good as records.

pects were not good as regards realisation of any gains in the securities portfolio.

On loans, the bank said diffi-cult conditions meant that the quality of some of its loans had changed more rapidly than had previously been the case.

For the year as a whole. Christiania expects losses on loans and guarantses to remain near 1987's NK1958m.

CORRECTION

Norwegian banks THE NKr5.95bn of losses forecast for the Norwegian

banking sector this year com-

pare with a deficit of NKr4.33hn in 1987, not NKr3.1hn as stated in a story

of October 5 and a feature yes

By Karen Fosali in Oslo

This was partly due to a reduction of 675 in the work-force since the start of the

employees down to 11.571. This represents well under half the total which existed before the steel industry entered the last recession 10 years ago. Turnover rose 8.2 per cent to the comparable period. Most of the improvement came from a

> 1.9m tonnes, running ahead of the 4.1 per cent increase — to 1.8m tonnes — in production of finished steel. Cash flow advanced from LFr564m to Mr Emmanuel Tesch, group president, said: "If the improvement in steel demand was limited at the outset to flat

products, which have benefited above all from the boom in the car industry, long products are now reacting well to the advance of the building and investment goods industry."
However, he warned that the
npturn "still conceals the
structural problems that steel

must surmount if it is to tackle the decline in demand that will inevitably take place."

Hoechst to raise payout By Our Financial Staff HOECHST, THE West German

chemicals and pharmaceuticals group, said yesterday it would increase its regular dividend for 1988, but did not specify how much it will pay.

In 1987, the group paid share-inciders a dividend of DM10 (\$5.37) a share been a binus of DM1 in relebrate the course.

DMI to celebrate the compa-Yesterday's announcement, made in Paris, confirmed mar-ket speculation that Hoechst would incorporate the bonus into its regular dividend this

Brasilvest S.A.

Net asset value as of . 30th September, 1988 per CZ Share: 464.95 per Depositary Share: US\$11,821.57 per Depositary Share: (Second Series) US\$11,101.19

per Depositary Share: (Third Series) US\$9,447,24 per Depositary Share: (Fourth Series) US\$8,825.73

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Floating Rate Subordinated Capital Notes Due 1997 Holders of Notes of the above issue are hereby notified that for the next interest Sub-period from 7th October, 1988 to 7th November, 1988 the following will apply: 1. Interest Payment Date: 7th December, 1988:

2. Rate of Interest for Sub-period:

8%% per annum Interest Amount payable US \$37135

for Sub-period: per USS 50,000 nominal Accumulated Interest Amount payable: US \$735.93 per USS 50,000 nominal 5. Next interest Sub-period will be from

7th November, 1988 to 7th December, 1988. Bank of America International Limited

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FINANCIAL TIMES

APPLAL M âs, GU

INTERNATIONAL COMPANIES AND FINANCE

after worst loss in Australian history

By Chris Sherwell in Sydney

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by Our Fenerality

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ARIADNE AUSTRALIA, the Impala Pacific in Hong Kong.

entrepreneurial investment Mr Capp said that the furentrepreneurial investment group badly hurt by last Octo-ber's stock market crash, yes-terday reported the worst corporate loss in the country's history and promised further tough rationalisation.

Figures for the year to June showed a net loss of A\$640m (US\$505.9m) for the group, which was once controlled by Mr Bruce Judge, a New Zealand land entrepreneur. The outcome compared with profits the previous year of A\$142.2m and represented a widening of the first-half deficit of A\$509m:

Because of a series of recent asset sales — including the Sanctuary Cove resort development in Queensland for A\$341m and the Repco automo-tive parts business for A\$256m the group's overall debt to 31 banks is expected to be under A\$400m by the end of 1988, down from A\$1.3bn at the

time of the crash.

But Mr. Barry Capp,
Ariadne's chairman, said yesterday that cash flows from tha
group's remaining businesses
would still not support such a
level of debt, and a further
reduction to about A \$200m

reduction to about A\$200m would be necessary.

The board is reviewing which remaining assets will be sold. The options include varisold. The options include various industrial interests, in particular the Alkair equipment hire and waste management ity, and that the company's business, and property interfuture ownership remained

ation in the US, Renouf Corpo holds about 18 per cent ration in New Zealand and through his Essington group.

ther loss in the second half was largely attributed to the continuing high interest costs and additional writedowns, particu-

Notes accompanying the accounts show the group wrote down its investments by A\$527m and wrote off A\$72m worth of non-recoverable receivables. Almost A\$269m of the writedowns came on the 36 per cent Renouf stake. Another and represented a widening of A\$108.5m related to Ariadne's the first-half deficit of A\$509m: 36 per cent of Impala, and a further A\$77.6m centred on an per cent to A\$1.65bn. 11 per cent holding in Judge

Corporation in New Zealand. The rest came from A\$42m worth of writedowns on other listed investments and a bad debt write-off of A\$43.4m to a company called Willand, thought to be associated with Mr Judge. The Willand trans-action is the subject of an mvestigation by the National Companies and Securities Commission, Australia's share market watchdog.

The group is now estimated to have shareholders' funds, excluding minority interests, of some A\$235m, on the assumption that the contracted asset sales proceed to settlement. However, the directors, who

recommended no dividend,

ests in south-east Queensland and the US West Coast.

Ariadne also has financial investments in Southern California Savings and Loan Association in the US Percent Cornel I

Mitsubishi Motors to be floated on Tokyo market

By Tony Jackson in Tokyo

MITSUBISHI MOTORS (MMC), US. In the latest fiscal year,

this month.

Among Japanese car makers MMC ranks fourth behind Toyota, Nissan and Honda in sales revenue, but ranks third in unit sales. Its major share-holders are Mitsubishi Heavy Industries and Chrysler of the future in any case.

MITSUBISHI MOTORS (MMC).

Japan's fourth biggest car maker, is to be floated on the Tokyo Stock Exchange by the end of this year, according to market operators. The flotation, one of the largest seen in Japan, could value the company at up to Y700bn (\$5.25hn).

Because of its size, MMC is between \$7.00 and \$1.000 each, listing on the flist section of the Tokyo Exchange, rather than be obliged to start on the inner figure, since it would represent a multiple of book yalue per figure, since it would represent a multiple of book yalue double that of other Japanse car makers.

It is not yet known whether the flotation will consist of

giant Nippon Telegraph and the flotation will consist of Telephone, which is due to sell share sales by the existing a further tranche of its shares holders, or the issue of new capital. Since the motiva behind the flotation appears to be the raising of cheap funds to relieve the strain on the company's balance sheet, analysts said a capital-raising exercise could be expected in the near

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London 7th October, 1988

Ariadne restructures GFSA profit hit by drop in gold production and higher tax rates

LOWER GOLD production, higher costs and a greater oversil tax charge over-whelmed the effects of higher rand gold prices and led to a drop in September quarter net profits for the six gold mines managed by Gold Fields of South Africa (GFSA), the local affiliate of the UK's Consoli-dated Gold Fields. dated Gold Fields.

In Johannesburg yesterday Mr Alan Wright, director of the GFSA gold division, was reluctant to discuss the implications of the mines' performances on the bid in London for Gold Fields by Minorco, the overseas arm of South Africa's

GOLD FIELDS OF SOUTH AFRICA QUARTERLIES Gold produced · Alter-tax profit Sep 88 June 88 Deelkraal 1,928 15,167 Drie Cons

Anglo American mining house. Driefontein Consolidated, the largest of the group's mines, is considered a crucial element in Gold Fields' defence. Through

an unlisted company called Asteroid it and GFSA share equal ownership of 16.1m Gold the British company.

Asteroid borrowed abroad to finance the purchase and, converted et the financial rand exchaoge rate, Drie Cons' share of that liability was R353m on its latest June 30 year-end against RI75m a year earlier. After allowing for this debt increase Drie Cons' directors valued the interest in Asteroid at an unchanged R42.3m by that date. Gold production at Drie Cons dropped as a fire affected

operations. In contrast, Deelkreal increased its milling rate and gold recovery grade, and Mr Wright hopes the new six grams/tonne (g/t) grade will be sustained.

Rights issue launched by Malaysia's D and C Bank

By Wong Sulong in Kuala Lumpur

DEVELOPMENT Commercial Bank of Malaysia is to raisa 127m ringgit (US\$47.3m) through a one-fortwo rights issue to improve its capital gearing and to finance

It will be the second capital injection in less than 18 months. The bank raised 67.8m ringgit through a rights issue

The latest issue amounts to

and 189.5m shares at 75 cents each.
After the exercise, the bank's paid-up capital will increase to de-for 254.25m ringgit comprising 508.5m shares.

D and C Bank also announced that, for the first six months to June, it recorded a pre-tax profit of 5.3m ringgit, down by 2 per cent, on operating revenue which fell by 18 per cent to 1248m ringgit. At Roxy Electrical Industries, a financially troubled investment group which holds 33 per cent of D and C Bank, shareholders voted to exempt United Industrial Corporation of Singapore from making a cash offer in the event of UIC obtaining general control of Roxy.

Roxy is proposing a one-forone rights issue to raise 135.6m ringgit, and UIC has obtained rights entitlements from some

main Roxy shareholders. Also it is to sub-underwrite the rights issue in full so that it is likely to end np with more than 33 per cent of tha enlarged capital which would require a general offer under Malaysian takeover rules.

However, Malaysian regula-tory authorities have agreed to waive the need for a general offer if Roxy shareholders exempt UIC from making one.

Bond moves to take HK arm private

By Michael Marray in Hong Kong

yesterday to remove Bond Corporation International (BCI), the Hong Kong-listed snbsid-iary of his Australian corporate empire, from public hands less than two years after the company arrived with much fanfare on the territory's stock market.

During this time investors have seen several large scquisitions and asset disposals, occasionally volatile share price movements, and brushes with the local regulatory authorities.

Mr Peter Lucas, BCI manag-

ing director, said yesterday that, with the Hong Kong mar-ket in the doldrums and BCI's share price trading at a discount to net asset value, the rationale for having a listing in the territory had disappeared. Mr Lucas estimated that BCI's net asset value stood was HK\$2.81 on June 30. He said raising capital through the stock market was difficult in the current eovironment, and expansion through borrowing would only lead to charges of

overgearing.

No details of the offer to holders of BCI shares and warrants have yet been announced. The Australian parent holds 66.2 per cent of BCI, trading in which was superpended. snspendad yesterday at

MR ALAN BOND tried HK\$1.49 to give market capitalisatioo of about HK\$1.8bn (US\$230.8m).

BCI's main Hong Kong assets are its stake in the HK TVB television station and 50 per cent of the Bond Centre, s prime office building in the Ceotral financial district, which Mr Lucas described as a long-term asset.

The Hong Kong Government will sooo rule on BCI's bolding in HK-TVB, which was acquired shortly after its list-ing in January 1987. BCl beld 27 per cent in November when new rules concerning foreign ownership were announced and now has a 31 per cent

It is anticipated that it will have to reduce its holding only to the November level and will oot be caught retroactively by the 10 per ceot limit on foreign

 Bell Group, 74 per ceot owned by Bond Corporation Holdings and the former flag-ship of the Pertb-based Mr Robert Holmes a Court, has sold two construction materials units to CSR, the Australian resources company, Reu-ter adds from Sydney.

No price was disclosed for Sellars Holdings, for which Bell paid A\$38m (US\$30m), and West Moreton Industries, which cost about A\$15m.

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mum advantage to be taken of new opportunities for the benefit of all policyholders.

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The merger proposals are more fully described in the document dated 27th September 1988, which has been sent to members and policyholders. Your vote is important; if you are in any doubt as to your docision, you are urged to contact your professional financial advisor.



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INTERNATIONAL CAPITAL MARKETS

Australian A\$ issues hold the focus of attention

US EMPLOYMENT data for September, due out today, have been holding the world's bond markets in thrall all week. Traders expressed amazement at the way in which bonds of several countries have been stymied ahead of the news so proception are they of the true. stymied ahead of the news so uncertain are they of the true condition of the US economy.

Meanwhile, it was the Australian dollar sector of the Eurobond market, the domain typically of small retail inves-tors, that was the focus of attention. Two new issues were launched and several other borrowers are said to be study-

While swap opportunities are available in Australian dollars, they are hardly the optimum

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US BOLLAR STRAIGHTS Abbey National 71₂ All Nippon Air 93

Albey National 7 ½ 92.
All Nippon Air 93, 97.
Amer. Brands 8 % 92.
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1013

101 % 101 %

100

100

100

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Ather Nat. BS. 101, 93 £

Als. Bk. Ned. 53; 92 FL

Anno Bank 64; 92 FL

Anno Bank 64; 92 FL

Aust. lad. Dev. 124; 93 65

Barc. Bk. 101; 97 5;

Barc. Bk. 101; 97 5;

British Airways 10 96 5.

CLI B.C. Mort. 103; 93 CS.

Comp. Bk. Aust. 124; 93 AS

Coop. Cr. Raba. 64; 93 FL

Coop. Cr. Raba. 64; 95 FL

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Lead manager of the AAArated deal was Westpac Banking Corp which quoted the deal
inside fees at less 1.45 per cent

Meanwhile, Montreal Tru-Meanwhile, Montreal Trustoo issued a A\$50m three year deal with a 14% per cent coupon that has apparently endeared it to retail investors. The securities were priced at 101% and were trading deep inside their 1% per cent fees at less 1.20, according to the lead manager. Mitsubishi Financial issued a new type of security. issued a new type of security known by the communicum "Look Back" futures, a series of 200 each put and call war-

24/112 Daiwa Europe

11/4 RBC Dominion Secs.

1¹2/1 Westpac Bankin 1¹2/1 County NatWest

214/112 Morgan Stanley

n/a SBC

Japan sets up study on investment

trusts

By Tony Jackson in Tokyo JAPAN'S Ministry of Finance has set up a study group on the Japanese investment trust industry, which will consider whether foreign securities es should be allowed into the market. At present, the \$375bn industry is controlled by 13 local companies, all linked to Japanese securities

The MoP said it had received informal approaches from several foreign companies, expressing hopes of participating in the market. The study group will also consider whether Japanese banks and insurance companies—also presently barred from setting up investment trusts — should be allowed into the market. The group's report is expected.

The MoF said that to allow Japanese banks and insurance companies into the market was more problematic. There are legal and supervisory barden between the Japanese scari-ties industry and other financial institutions, and there could also be conflicts of interest arising from the fact that banks are major shareholders in many leading quoted comp

whether foreign firms could in practice get a footbold in the market. The Japanese investment trust business, like the unit trust movement in the UK, relies heavily on retail sales and distribution. At present, this is handled by the big Japanese brokers through their regional branch networks. No foreign securities house

has the necessary distribution network in place. The Japanese banks and insurance compa nies do, however, and are eager to gain access to a market which has trebled in value in the past three years.

Rizzoli seeks funds outside Italian market By Norma Cohen

| COA | COA

#3-SECT

RCS EDITORI, owner of Rizzoli, the Italian publishing house, has signed an Ecu30m three year loan with a multi-currency option, the compa-ny's first foreign currency bor-

The loan is arranged by Gemina Capital Markets, a subsidiary of Gemina, major shareholder of RCS, with the co-operation of Banca Commer-ciale Italiana.

The loan carries a margin of 20 basis points over London interbank offered rates and a

interbank offered rates and a commitment fee of a per cart. There is a 18-month grain period on repayments, with the balance to be paid thereafter in four equal semi-annual instalments. Drawdown will be within three months of aiguine.

Manufacturers Hanover has been mandated to arrange a \$200m multicurrency loan for Hidro-Heetrica Espanois, Spain's second largest electric utility company. The credit is a six-year term loan with repayment in three semi-annual ment in three semi-annual instalments beginning after the fifth year. he fifth year. The loan is Hidro-Electrica's

first borrowing since December 1987 when an enthusiastic reception for a \$200m enabled it to raise the total amount to \$300m. The market had been effectively shut to Spanish utilities for nearly a year before that after loans to Puerzas Electricas de Cataluna had to

Electricas de Cataluna had to be restructured.

However, when the loss size was increased, the margin on the second \$100m tranche was cut to % from the ½ per cent offered on the initial tranche, causing seme griping among bankers.

The margin on the latest loss equals the lower % per cent offered on the second loss tranche. Fees range from 10

cent offered on the second loan tranche. Fees range from 10 basis points for banks lending \$2m to 25 basis points for banks lending \$15m or more. Drawdown of funds is to be made within 10 days of signing. Manufacturers Hanover has also been mandated to arrange a \$25m three-year bullet loan for Angio-Irish Bank, the Dublin-based institution's first time in the international capital markets.

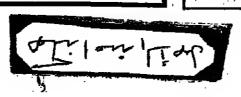
The margin is 50 basis points

The margin is 50 besis points over Libor with fees of 20 basis points for those banks lending 23m or more. Fees are 15 or 10 hesis points for banks lending smaller amounts.

Separately, Morgan Grenfell has arranged a \$200m certificate of deposit programme for Skandinaviska Enskilda Barken ken, parent company of the largest Nordic banking group.

Swiss 3-month issue

THE Swiss Government is launching a new series of three-month money market certificates totalling around SF7200m (\$126m). Subscriptions close on October 11 and payment date to Cockber 12 and payment date to Cockber 13 and payment date to Cockber 14 and payment date to Cockber 15 ment date is October 13.



By Janet Bush in New York and

Prices closed around a point

lower at the short end of the yield curve and a point down at the long end. The Treasury's

Norma Cohen and Stephen Fidler in London

US TREASURY bonds fell September's employment,

slightly in New York yester- industrial production, retail

day, mostly on nervousness about today's release of the latest US memployment figures.

and producer prices, are expected to provide evidence of a rebound in economic

US employment jitters

unsettle long bond prices

strength last month after a

rather subdued August. In

addition, next Thursday's trade

figures are expected to show a bounce in imports in August

from July's depressed level and a widening in the trade gap.

THE FRENCH Treasury auc-

tioned FFr7.83bn of bonds yes-

terday after previously stating

that it would sell between

FFr6bn-FFr8bn of bonds.
• It sold FFr4.025bn of 8.7 per

cent bonds due 1995 at an aver-

age yield of 8.55 per cent com-pared with the 8.72 per cent yield at the last auction on

August 4. The auction was 2.2

• It sold FFr2.45bn of 8% per

GOVERNMENT

BONDS

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IA MOLLAN COLOR

when the late

benchmark 30-year issue was quoted in point lower to yield 8.95 per cent. Uncertainty continued about whether a long bond would be auctioned in November's quarterly refunding. The Senate, as expected, started work vester-day on the tax bill to which the long bond authority is B ST. ST. ST. ST. attached. However, the Senate version then has to be reconciled with the bill already passed by the House.
Otherwise, bonds continued to track oil prices. In midmorning business on the New Mr. Francisco

morning business on the New York Mercantile Exchange, crude oil for November delivery was quoted 24 cents a bar-rel higher at \$12.84. Although this was regarded as a techni-cal rally, bonds softened somewhat. Later, crude prices dipped back down again to be oted 2 cents lower at \$12.58 and bonds recovered earlier losses of around % point. More fundamentally, the

bond market is gearing up for a series of economic figures in the coming week, starting with today's August unemployment report, which could be crucial in the setting of Federal Reserve monetary policy. A majority of US analysts believe interest rates will move higher this year.

CANADA"

The figures, which include competitively. BENCHMARK GOVERNMENT BONDS Price Change Vield ago ago Coppos Dain UK GILTS ... 13,500 .6/82 8,790 9/97 9,000 10/06 110-23 +8/32 10.14 10.18 10.54 94-10 +14/32 9.72 9.84 10.10 98-11 +17/32 9.07 9.19 9.44 US TREASURY 9.250 -5/32 8.86 9.04 -2/32 8.96 9.14 100-2213 +0.032 4.97 5.04 105-2040 +0.297 5.16 5.24 GERMANY ' 6.600 5/98 99,7500 +0.050 6.56 6.61 6.67

AUSTRALIA . 12.500 1/88 108.7187 +0.454 11.81 - 11.94 11.73. London closing, "denotes New York close" Yields: Local market standard Prices: US, UK is \$2nds., others in declared ocal market standard Price Sources

NETHERLANDS 6.500 7/98 108.7750 +0.000 6.48 6.51 6.85

FT-ACTUARIES SHARE INDICES

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INTERNATIONAL CAPITAL MARKETS

Index arbitrage remains in the doldrums

Dominique Jackson on the post-crash outlook for program trading

A lmost 12 months arrer last year's stock market crash, the tally of UK equity market participants who really understand what index arbitrage is and how it works are still vastly outnumbered by those who vaguely recall the technique as one which reportedly contributed to the break-neck speed of the US market fall.

that it felt the French yield that it felt the French yield curve was too flat.

The Treasury said yesterday that firms could pay for up to 50 per cent of the newly-auc-tioned bonds by delivering ORTs, renewable treasury bonds issued between June 1983 and 1986 when the present auctioning system was adopted. Otherwise, prices were little changed to slightly lower, and

like most government bond markets, transfixed by today's

UK GOVERNMENT gilts closed with gains of up to a half point in what was described as a futures driven rally backed by little retail activity. Certainly, no new economic factors emerged that would account for the bullish

data.

Dealers in Paris said the size

of the anction was at the upper

end of expectations, and some were surprised at the amount

of long bonds sold, However,

the Treasury is said to have

told dealing firms last week

cent bonds due 2012, at an average yield of 9.14 per cent, compared with 9.30 per cent On the Liffe, the long-term when they were last sold on July 7. The auction was 3.3 gilts contract saw one of its most active days in weeks, times covered.

It auctioned FFr1.85bn of with 32,656 contracts traded Dealers said a good portion of the activity could be explained by technical factors — key floating rate notes at an average rate of 87 basis points. below the average long-term ert points were breached bond rate, compared with 94 below when the bonds were last sold in Angust. The sale But it appeared that several houses were involved in bookwas 44 times covered. A furswapping activities that might ther FFr194m was sold nonwe accounted for the unusu-

ally heavy futures activity.

Meanwhile, the index-linked sector, where investors can effectively hedge themselves against rising inflation, was quite active. The Treesury 2½ per cent stock due 2016 closed % higher at 99% and dealers said it appears that a genuine shortage is developing in that sector. According to dealers, the Bank of England has been making index-linked stock available to market makers upon request, while it has been buying conventional stock. 8.500 . 10/98 97.3500* +0.100 9.92 10.12 10.08

Indeed, some analysts expect the Bank of England to offer a tap of index-linked stock to the market later today, despite the obvious contradictions for its "full funding" programme, pos-sibly offsetting that with con-ventional stock purchases. firmly in place. cies between the value of the cash stocks index and the corresponding index futures conoccur, for sxample, whau futures buying forces the price

Yet in subsequent studies, index arbitrage was almost universally exonerated as portfolio insurance, and other com-puter-related trading programs, came in for more sustained criticism. The London Stock Exchange's post crash Quality of Markets report even went so far as to urge greater use of index arbitrage as a way to effect a more efficient means of risk transfer between the cash

and derivatives markets. Despite this plea, there has been no tangible increase in the use of index arbitrage in the 12 months since the crash. If anything, the number of houses actually practising the technique has contracted and the barriers to any further expansion, such as enhanced ability of execution, prohibitive stamp duty and stock borrow-

lmost 12 months after ling costs, still appear to be liquidity in the equity market arbitrage since the practice where spreads would subse-Index arbitrage involves quently narrow. exploiting pricing discrepan-

Volums in the FTSE future currently reaches a daily average of 1500. Levels would be at least four times this amount if the contract were to reach its full potential as an efficient means of risk transfer. One of the main factors checking the expansion of

index arbitrage is the sheer

practical difficulty of executing

such large and complex stock

transactions. In the US this is done via automated execution systems such as the DOT or Designated Order Turnsround system in operation on the New York Stock Exchange. Manual execution is difficult to co-ordinate, labour intensive and costly and is probably the single most important reason that index arbitrage in the UK is restricted to specialised securities houses which are

index arbitrage would provide a great boost for the liquidity the FTSE index.
At one of these houses, Citicorp Scrimgeour Vickers, the whole execution process has been honed down to a hectic which has never been good enough to provide a totally adequate hedging tool when needed. It would also enhance few minutes. However, the

market makers in the complete

range of stocks which make up

house has been active in index

became feasible in the UK following Big Bang deregulation in October 1986. It is one of the few still practising arbitrage and the only one which contin-ued to do so - at not an insubstantial profit - during last October's crash.

The stock exchange's proposed new SAEF system (Seaq Automated Execution Facility) is the first step towards universal automated execution. However, the system, which is expected to be up and running by the end of this year, will initially be limited to a maximum of 1,000 shares per stock trade – a level deemed too low to have a realistic chance of encouraging greater index arbitrage. Mr David Morton of the stock exchange said that even-tual raising of the limit to 5,000

was envisaged Non-market makers thinking of using the technique, such as major institutional investors who could utilise it to add valus to their portfolios, are also faced with taxation prob-lems. The stamp duty payable by non-market makers slimi-nates any profitsbility when the index is within 1/4 per cent

costs push this up even fur-

According to Mr Price of James Capel, other obstacles include the denial of stock borrowing to non-market makers and the lack of off-setting credits for futures positions in the stock exchange capital adequacy requirements. The combined onus of transaction costs, stamp duty and equity spreads means that attempting arbitrage on differentials of less than 1 per cent is rarely

worthwhile. Mr Martin Burton of Citicorp Scrimgeour Vickers said:
"Stamp duty is clearly a major inhibiting factor for any nonmarket maker interested in carrying out pure index arbi-trage. Even the index-linked funds which could really be using the process to their advantage have so far shied away from it."

In theory, many of the above barriers to increased index arbitrage could be eradicated fairly simply - such as allowing non-market makers to borrow stock. However, others, such as the stamp duty ques tion, are of a more political nature and are not likely to be resolved in the short term.

Fannie Mae looks overseas for funds

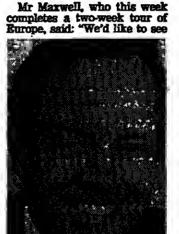
By Stephen Fidler, Euromarkets Correspondent

THE Federal National Mortgage Association intends to increase significantly the share of capital that it raises outside the US, chairman and chief executive, Mr David O. Maxwell said.

The association, known as Fannie Mae, is a private corporation federally chartered to provide housing finance. With sets of \$109bn and \$157bn of its guaranteed mortgage-backed securities outstanding. it is the third largest corporation in the US. In many years, tt is the second largest user of the US capital markets after the US Treasury.

Although its debt carries no explicit Federal Government guarantee, its paper is treated by investors as if the US stands behind the organisation.

It has raised \$3bn of its outstanding \$105bn in debt in bond issues targetted for the international markets, while it estimates a further \$3bu of standard domestic FNMA debentures are held outside the



tract. Arbitrage opportunities

to a premium over the com-

puted fair value of the underly-

ing stocks. Thus, if the FTSE 100 index stood at 1750 and the

FTSE future at 1800, arbitra-

geurs would buy a basket of

stocks which adequately reflected the movement of the

cash index, at the same time

selling the futures contract,

locking in a profit equivalent

to the original price differen-tial between the two. Cou-versely, when the future trades

at a discount, arbitrageurs buy

the future and sell a portfolio

of index stock.

Mr Quintin Price, director of

options research at James Capel, said: "Increased stock

the FTSE futures contract

David O Maxwell: looking

that \$6hn double over the next couple of years. It makes no sense for our shareholders to pay more than in the US domestic markets, but we are willing to use those markets overseas when the rate is the

A year ago, the company launched a medium-term note programme with the notes offered both to US and European investors. Some \$492m of the notes were outstanding domestically and \$140m have

been placed in Europe. FNMA also wants to expand the international market in its mortgage-backed securities. There has been almost no market for mortgage-backed securities outside the US," he

This is for two reasons, he said. Non-US investors are not accustomed to the monthly payments of principal and interest which are made by mortgage holders and passed through to investors.

Furthermore, the absolute right of homeowners in the US to prepay mortgages means that when interest rates fall, mortgage prepayments rise

sharply. Investors then have to reinvest that principal at lower interest rates. Because of this reinvestment risk, mortgage-backed securities carry a yield premium. FNMA's own debentures carry a yield premium of 30 basis points over US Trea-sury paper, while its equiva-lently-rated mortgage-backed issues carry a 100 basis point

Non-US investors are unfamiliar with this. Mr Maxwell said that FNMA believed that it could best increase its sales to foreign investors through new types of mortgage securities, such as REMICs, which allow the repackaging of the cash flows from mortgages in a

variety of ways After five years of restricturing its portfolio, which now yields a spread of 52 basis points, FNMA considers itself immune from all except the most violent swings in interest rates, Mr Maxwell said. Previonsly, the shares in the company were regarded as highly

sensitive to interest rates.

Dai-Ichi takes stake in Brazil bank after swap By Our Financial Staff

DAI-ICHI Kangyo Bank has taken 10 per cent of Banco de Investimente do Brasil following a debt-for-equity swap. Dai-Ichi paid for its shares with cruzados received from Brazil's central bank in a swap for \$55m of loans to Brazil.

Dai-Ichi has for some time had co-operation agreements. The move solidifies its relations with BIB, said Dai-Ichi yesterday. The bank said the link would relations with Brazilian companies.

Dai-Ichi made its bid at the most recent auction

HK Bank move

HONG KONG Bank of Anstralia is increasing its Enro-commercial paper programme to \$250m from \$100m. it will provide the bank with additional flexibility in the funding of its expanding asset

LONDON MARKET STATISTICS

These indices are the joint compliation of the Financial Times, Mon. Oct Year ago Ter Oct 4 EQUITY GROUPS Thursday October 6 1988 Earnings Dir. Yield% Yield% (Max.) (Act at (25%) Index No. Inter No. No. stocks per section 18.4 18.1 203.51 26.74 12.09 11.49 9.04 10.35 1813.77 1588.15 2226.81 4 Electricals (12) 5 Electronics (29) 6 Mechanical Engineering 48.7 18.42 -8.5 9.96 +8.4 11.59 +8.5 9.47 +8.7 9.36 419.99 8 Metals and Metal Forming (7) 9 Motors (16) 20 Other Industrial Materials (23) 498.87 282.08 1344.75 1973.71 44.7 9.34 41.1 10.58 43.3 9.16 41.5 9.52 41.1 6.69 40.9 0.94 40.2 10.35 40.5 10.49 40.1 10.49 40.1 10.49 40.7 8.69 40.7 8.69 40.8 10.49 40.9 10.45 40.1 10.49 40.1 10.49 40.1 10.49 40.1 10.49 40.1 10.49 40.1 10.49 40.1 10.49 40.1 10.49 40.1 10.49 40.1 10.49 40.1 10.49 40.1 10.49 40.1 10.49 21) CONSUMER GROUP (186). 963.68 22 Brewers and Olstillers (21). 25 Froot Manufacturing (21) 25 Food Retailing (26) 27 Health and Household (12) 29 Leisure (20) 31 Packaging & Paper (17) 32 Pablishing & Printing (19) 34 Stores (30) 1352.97 1934.73 1375.82 539.46 5338.51 767.25 599.98 966.92 41 Agencies (19)...... 42 Chemicais (22)..... 1073.51 4.54 4.75 4.55 4.85 43 Conglomerates (11) 45 Shipping and Transport (12) . 47 Telephone Networks (2) 1348.33 979.09 1219.54 11.44 28.38 978.82 968.47 961.22 1124.44 9.83 37.16 1287.46 1282.84 1283.32 1735.75 48 Miscellaneous (26) ... 971.65 +6.6 16.23 4.63 12.13 22.35 965.66 955.38 952.16 1247.82 49 INDUSTRIAL GROUP (488). 1751.19 HA 14.79 6.37 11.87 76.28 176.62 1741.91 1751.53 2234.44 51 Oil & Gas (12) 1837.99 : 48.6 | 10.30 | 4.35 | 12.30 | 26.85 | 1871.80 | 1820.52 | 1812.65 | 1931.30 59 500 SHARE INDEX (500) 61 FINANCIAL GROUP (123). 62 Banks (8). 65 Insurance (Life) (8). 66 Insurance (Composite) (7). 67 Insurance (Brokers) (7).... 68 Merchant Banks (11) 69 Property (51) 70 Other Financial (31). anics (LL).. 71 Investment Trusts (78) __ 81 Mining Finance (2) ___ 91 Overseas Traders (8) ___ 44.9 - 3.67 -4.6 19.50 3.59 48.7 9.13 4.43 - 15,75 915.64 967.54 904.64 1202.66 18.61 19.67 985.58 585.59 581.84 761.88 12.80 95.31 1299.21 1295.34 1297.46 1349.74 412.43 - 18.4 - - 4.01 - 25.42 946.01 937.88 935.89 1228.65 | Index | Day's | Day's | Day's | Oct | Oct | Oct | Sep | Sep | No. | Games | High | Low | 5 | 4 | 3 | 30 | 29

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5 All stocks	128.47	+8.13 +0.38	128.30 122.52		1.81 2.65 2.57	11111	India: Linked Inflation rate 5% Syrs. Inflation rate 5% Over 5 yrs. Inflation rate 10% Over 5 yrs.	3.23	3.28 3.84 2.19 3.69	3.63 4.28 3.68 4.30
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Thu Wed Year

AVERAGEGROSS

index 1838 4; 10 am 1837.9; 11 am 1833.8; Noon 1829.1; I pm 1832.2; 2 pm 1833.0; 3 pm 1834.0; 3.30 pm 1837.0; 4 pm 1840.2 I Highs and fows record, base dates, values and constituent changes are published in Saturday Issues. A new list of constituents is available

RISES AND FALLS YESTERDAY ... British Funds Corporations, Dominion and Foreign Boards 102 19 487 261 25 Financial and Properties 證 1,528 LONDON RECENT ISSUES

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TRADITIONAL OPTIONS

 First Dealings
 Last Dealings Dec 22 Jan 9 For settlement For rate indications see end of London Share Service Stocks dealt in for the call included United Guarantes, Con-

Brooke Tool, Canness Manon, Brooke Tool, Canness Manon, Investments, Sears, Stakis, Licyds Chemists, Eagle Trust, GT Management, Raine industries, Mounteigh, Microvitec, T Cowle and Global Group. No put or dou-ble options were reported.

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Brit. & Cornes.	200 220	27	32 18 9	38 25 13	15 1/2 22	18 5 12 25	7 15 28	Pilkington (*214)	200 220	19	쯢	38 30 18 11	28 4 12 29	35 8 17	10 20
B.P. (*242.)	240 260	64 14	17	13 19 10	4 ¹ 2	91 ₂ 201 ₂	28 16 ¹ 2 29	Plessey (*256.)	240 140 160	18	22 11	28 17	1 ¹ / ₂	51 5 12	32 6 ¹ 2 13
Bass (*803)	750 800 850	57	72	90 57	14	16 37	22	Prodential	150	13	-	9	25	27	29
Cabb & Wire (*392.)	330 360	63 57	18 73 50 27	823 83	1 2 2 2	67 10 20	18 17	(P15B)	160 170 300	11 ₂	12 38 24	15 45	11 27	20	10 25 41
Com, Entel (*1263)	390 1200 1300 1400	86 37 13	150 96	180 125	10 TS	65 105	80 130	(*310) RTZ (*442)	330 420 460	38 13	55 35	65 45	10 28	20 35	2
Courtnuids (*293.)	280 300	17 642	29 20	38 28	155	170 13 22	130 190 18 26	Vaal Reefs (*566)	60 70	8	12	14	3	12	14
Cow. Union	330 330 360	18 3	10 34 21	16	40	43	46	Option		Dec	Mar	Jus	Dec	Mar	Jun
. (*341.)	390	1	8_	40 24 14	22 50	14 30 52	38 60	Barclays	200 220 420	22	221	38,83	18 -	13 22 25	16 26 28
(259)	140	21 33 ₂ 1	24 10 31 ₂	29 13 7	1 5 22	2 ¹ 2 26	13. 28	Blue Circle	429	15 50 24	66	70	19	12 26	18
G.K.N. (*316)	300 380 360	21	33 17	42 22 12	2½ 17	19	16	Dixons (*150)	140 160	20	26 15	33 20	61 ₂	7 ¹ 2	36 10 21
Grand Met. (*452.)	420	36	27	-	1 4	45	35	Glasso (*11060	1100 1200	5 <u>1</u>	88	114	527	65	75
LCJ.	460 500	8 2 47	27 12½ 83	35 18	19 52 8	26 55	60	Hawker Sidd. (*519)	500 550	38 17	57 28	65 38	13 42	20 48	28 55
P10349	1100	1	33	45	170	24 77	85	Hillsdown (*270)	260 280	22 16	34 20	37 26	8 15	118	装
Jaycar (*257)	240 240 280	2260	33 21 12	40 27 18	27	HTE	1623%	(-332.)	330 360	22	2C.	55 42	22 42	37 52	42 56
Land Securities (*579)	500 550 600	83 35	90 50 18	103	11/2 4 27	14 14 37	20 42	Middaed Bk (*421) Seers	420 460	23 7	E E	40 21 29	13 43	250	833
Marts & Spancer (*172)	160	15 1½	19 8 4	23	2114	27.2	71 ₂	(*133) Trusthouse Fort	120 130 140	131 ₂ 81 ₂	5 55 C	25.23.18	5½ 9½ 15	126	20
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Rolls-Royce (*136)	130 140 160	72	15	19 12	14 2 ¹ 2 7	5	9	(*640) Wellcome	650 700 500 550	42	45 25 61 36	76 48	23	18 H5	40 26 50
STC (*284.)	260 260 260	28 10	8 38 24 12	8 44 30 19	25 21 ₂	25.	14 27 10 18 27	(°520)		17 Des	36 i	48 Jul	42 (Apr	50 Jel
Saleshory	300 180 200	21	26 12	30	18	13 23 11	5	5oots (*220)	200 220	25 13	36 24	43 30	13	8 17	10 20
(*198) Shell Trans.	950 1000 1100	30	67	18 82 52	14	27	12 48	Option		Oct	Jan	Mer	Oct	Jan	Har
(*962.) Storebosse	1100 180 200	9 1½ 15	42 9 23	18 38 21	145	145	75 155	British Gas (*274)	170	2	73,	10	3,5	1012	132
(*288) Trafalgar House (*317)	220 300 330 360	2231	20 20 11	74 72 16	18 35	1185	26 20 30	(*380)	350 390 420	40 18 7	Jan 43 27 10	ΙĒΙ	Nov 12 23 45	Jan 17 30 52	
T.S.B. (*210*)	360 100 110	10 212	13	14	18 46	2	37	Option		Dec	Mar	Jul	Des	Mar	Jul
Utd. Biscults	250 250	15	6 ¹ 2	7½ -33	31 ₂ 12 51 ₂	5½ 24	16	8ectum (*469)	500	27 91 ₂	25	52 33	16	21 44	49
(*288) Ultrantar (*253)	300 225 245	28 26	45 23 23	23 53 42	17	24 16 30	30 40	Unliever (°467)	460 300	24 9	43	=	34	20 49	=
Woolworth (*253)	275 240 260 260	10 20 7 11 ₂	23 29 18	32 38 24 15	18 33 2 12 30	42 7 16	52 10 19	BTR (*300)	290	Dec 29 15	Mar 40 27	May 41 28	Dec 404	7 15	182 91 ₂ 18
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Brit. Telecom	240 250	16 12 3	48 24 17	54 31 24 14	24 5 17	30 10	17 37 12 23	(*1838) 1750 1800 1850	16 経	103 64 37 18	78 9 50 6	0 19 1 43	35	28 43 65	52752565
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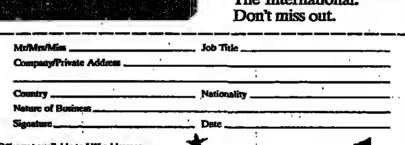
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INTERNATIONAL COMPANIES AND FINANCE

Nestlé buys US eyecare business for \$325m cash

GBL forecasts higher earnings

6.5 per cent decline in

However, following yester

day's announcement analysts were expecting the company to-

interim pre-tax profits to £5.3m (\$8m), the chairman said that he expected full year results would be close to the previous

GROUPE BRUXELLES
Lambert (GBL), one of Belgium's largest holding companies, said yesterday that it expects both consolidated and non-consolidated profit to rise in 1988 with a dividend increase also likely, agencies report from Brussels.

In 1987 the group's consolidated profit dipped to BF75.7hn (\$148m) from BF76.5hm in 1986 while 1987 non-consolidated profit rose to BF74.3hn from BF73.4hn. The 1987 dividend totalled BF7168 per share, up from BF760 in 1986.

The group said yesterday

The parent company posted

NESTLE, the Swiss foods group, announced yesterday that it plans to buy Cooper Surgical, the ophthalmic sur-gery business of Cooper Com-panies in Irvine, California for

\$325m in cash.

A letter of intent has been signed by Alcon Laboratories, Nestle's wholly owned subsidiary which is based at Fort Worth, Texas.
The transaction is subject to

The transaction is subject to the signing of a definitive agreement and the approval of both companies' boards as well as US regulatory agencies.

Alcon expects to sign the final agreement this month and to complete the deal by the end of the year. Cooper Surgical has annual sales of around \$300m, generated on several 300m, generated on several

international markets and in

SHARES in Alfred McAlpine, the UK building, civil engineering and construction group, fell sharply yesterday after the company warned that annual profits would be "significantly" below the previous forecast. The shares dropped 18 per cent to close at 299p, down 65p.

Mr Bobby McAlpine, chairman, said the warning because of severe problems within the construction division which became apparent last month

became apparent last month

SHARES in Alfred McAlpine,

to be close to breaking even It manufactures disposable

this year. In a letter to shareholder surgical kits and intraocular lenses as well as opthalmic surgical instruments and Oerlikon-Buehrle said that if business develops as expected, 1988 sales would be about 4 per cent higher than 1987's SFrillbn in May, the group predicted sales would rise systems.

Alcon is the world leader in

eye care products and the largest unit in Nestle's pharmaceutical products and cosmetics division which posted sales of SF7728m (\$460m) last year.

Ocrilion-Buehrle Holdaround 5 per cent. Consolidated group sales totalled SP2.46bn in the first

eight months of 1968 compared
with SFr2.49hn in the first
eight months of 1968 compared
with SFr2.49hn in the same
1987 period. Oerlikon-Buehrle
noted it had sold off some companies in the past year.
Sales of defence products
increased, but the market
remained unfavourable, with
financial difficulties preventing
many countries from carrying o Oeriikon-Buehrie Holding, the diversified Swiss industrial and defence group, said its 1988 net result would show a marked improvement on the loss of SFr115.2m reported in 1987, Reuter reports from Zurich. It did not specify whether this meant it would reduce its losses or return to profit. The many countries from carrying out their spending plans. Sales in other divisions were mixed. losses or return to profit. The group said in May it expected

to BFriel from BF241.

The drop in parent company profit was due to exceptionally

igh capital gains recorded in he year-earlier period.

• GB-Inno-BM, Belgium's biggest retailer, said parent company operating profit rose "markedly" in the first six months of 1988 ended July 31 while turnover rose 3.7 per

cent in value against the same

achieve pre-tax profits of between El8m to £25m with a

The chairman said that dir-ing July the construction divi-sion had Just managed to break even and that results

last year's rate.

1987 period.

Dyno lifts profits by 10%

DYNO INDUSTRIKE the Norwegian diversified indus-Notwegran aversites mountained protest in 10 per cent boost in net profits to NKr162m (326m) in the first eight-months of this year due to a 30 per cent improvement in sales and operating profits.

in sales and operating profits.

Dyno's operating income soured 33 per cent, by NKr879m to NKr8.6bm, because of growth in businesses and acquisitions, Group operating profits increased 34 per cent to NKr862m.

Net financial costs, however, increased because of Branc's increased because of Dyno's expansion strategy and high interest rates for the group's "most important funding currencies."

For the year as a whole, Dyno said it expects an improvement over last year's result mainly because of increased earnings in the explosives and chemicals badnesses. "So far, the plast and packaging businessis, i the machinery group have

managed to match last rein results," Dyno said. have About 70 per cent of Byno income is achieved outside Norway. The company a gloomy ontlook uncertainty for Dyno's Roswe gian activities. "However, the improvements in our interior tional operations are forecas to confinue," Dyno said.

Zinc refiner goes into black

By William Dawkins in Brussels

VIEILLE-MONTAGNE,
Belgium's largest zinc refiner,
has announced a profits recovery from a BFr641m (\$16m)
loss in the first half of 1967 to a BFr830m profit for the first six months, of 1988. This does, not include a BFr277m excep-tional gain on share sales. Consolidated immover rose 18 range of between £21m to £22m likely to be closest to the mark. The company said that despite the outlook, it expected to hold the final dividend at per cent to BFr16.25bit.

The group also announced the completion of the financial restructuring forecast a year earlier, in the form of a Bril 6bn subordinated loan from Union Minters, fits make shareholder, and a BFr500m loan from Générale de Benque, of which Union Minters is a

fact that GBL had derived higher gains from assets sales in 1987 than in 1988. The parent company posted a profit of BFr2.5bn in the first half, down sharply from BFr4.2bn in the year-earlier period. Earnings per share felt The group said yesterday that its consolidated net profit for the first half totaled BFr5.4bn, up 4 per cent from the year-earlier figure and Alfred McAlpine warning on profits By Ray Bashford in London and centre on public sector contracts. As a result, the company has instituted man-agement changes. Last July, while amnouncing

am interested in personal

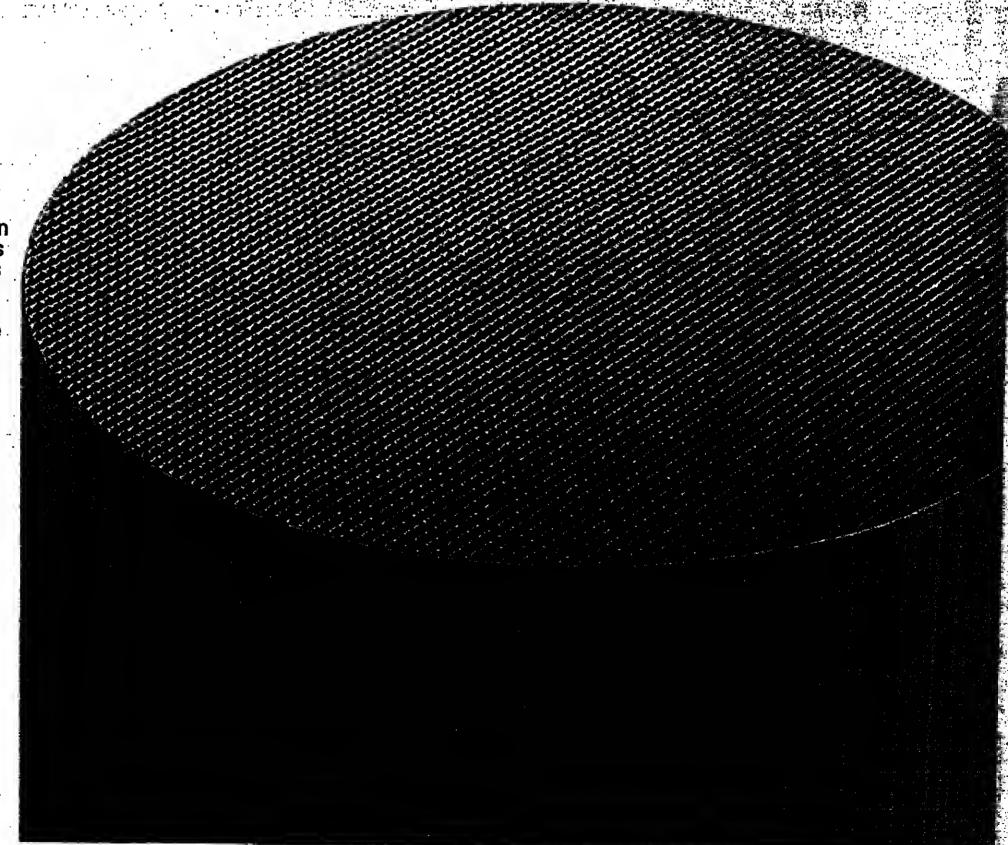
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Chemistry for the Environment

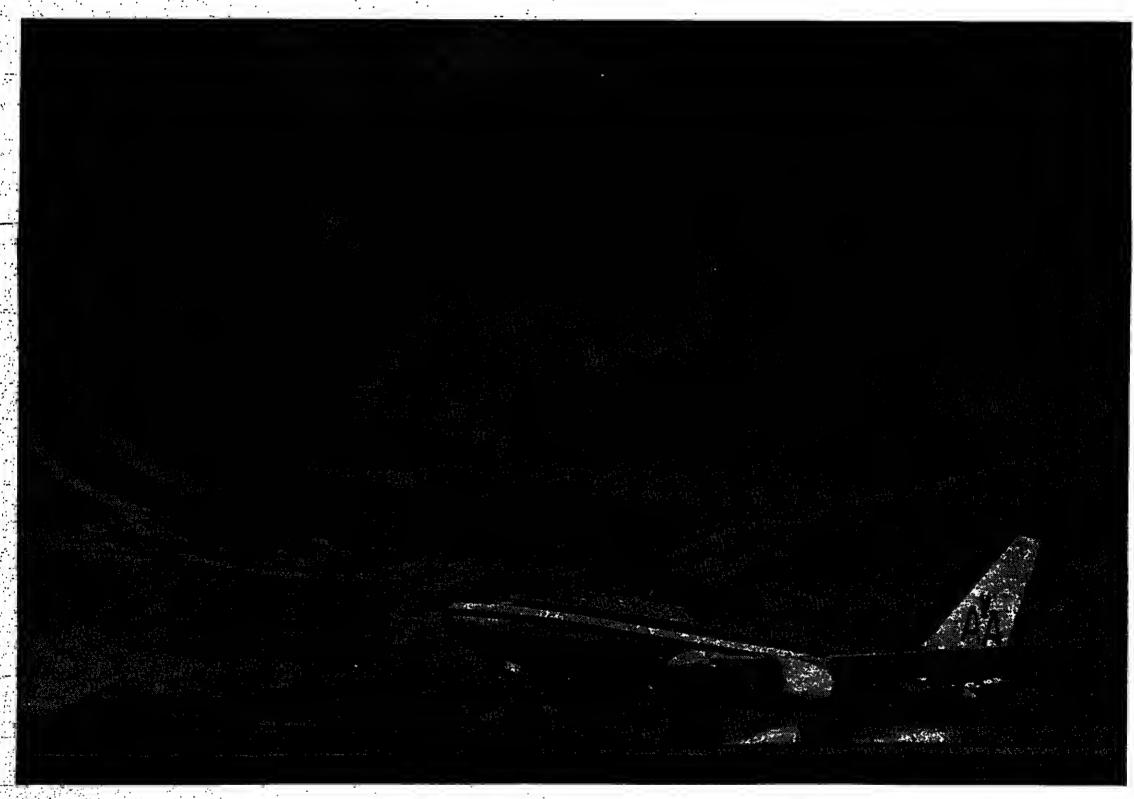
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Australian approach for Aurora

AUSTRALIAN NATIONAL Industries, that country's leading heavy sngineering com-pany, is poised to make its first major move into the UK with a possible takeover bid for Aurora, Sheffield-based engi-

Anrora, Shemend-based engineering group.

Aurora confirmed yesterday that AMI had made a takeover approach. It advised shareholders not to sell their shares pending further a announcement was track. ment expected next week.

Aurora's shares leapt 22p to 120p after the announcement

to capitalise the company at ANI has made the overture from a strong base, having built up a 22 per cent stake in

when it snapped up a 14.9 per

MB plans

to expand

in the US

MB GROUP, formerly called Metal Box, the major UK-based

packaging group, is actively pursuing acquisitions in the US as part of its strategy to build its North American busi-

ness up to a 20 to 25 per cent share of group turnover by

By Maggie Urry

cent stake through a dawn raid. The holding was extended to the present level in April.

Mr Douglas Morton, Aurora managing director, said there had been "very limited contact" with ANI but that the approach was "far from unexpected."

Aurora has enjoyed a strong

Aurora has enjoyed a strong return to health since 1983 when it almost went to the wall. The problems peaked in that year with the closure of its special steel business and a balance sheet which showed shareholders' funds cut to £2.3m against £40m in borrow-

ings.
From a range of activities which now varies from steel castings and forgings produc-tion to the distribution of window hinges, the company has scored a progressive recovery and during the six months to end-June reported a 33 per cent rise in pre-tax profits to 26.7m.

Aurora receives about 25 per cent of turnover from its Australasian activities where it has three principal subsidiaries in steel distribution, cutting tool and industrial knife pro-

An ANI spokesman said that Aurora's activities in Australia and New Zealand would complement its existing buiness. He described relations with the Aurora board as "friendly" and said that there had been several meetings prior to the takeover approach. ANI is one of many Austraforced by limits within its domestic market to seek expansion through international

acquisitions.

If a hid for Aurora were successful, it would be by far ANI's most significant international move. The company has long held ambitions to establish a bigger presence in the UK and continental Europe to

UK and continental Europe to build on offshore development into New Zealand and South East Asia.

ANI also holds a 6 per cent interest in William Cook, steel casting manufacturer, and recently took a 6 per cent stake in a US metal distribution company with a capitalisation of about the same size as Aurora as part of a move into North as part of a move into North America.

Share price (pence)

Etam ahead 10% to £6.12m

ETAM, clothing retailer, increased profits by 10 per cent to £6.12m in the 28 weeks to

August 13, against 25.55m in the equivalent period.

Turnover rose from £49.6m to £63.8m, but earnings per share dropped 7 per cent to £310.6.70) 6.21p (6.7p).

6.21p (6.7p).

The group said the interim results were affected by the cost of establishing SNOB and Peter Brown, respectively girlswear and young menswear chains, bought last year. Etam issued 13.2m new shares during 1957 to help fund the purchases.

In the year ended March 1988
MB Group's sales in North
America were £206m, 16.6 per
cent of the group total. Operating profits of £13.5m were
achieved in the US. The new additions lost money in the first half, but are MB Group's direct involve-ment in the US dates back only expected to break even or make a small contribution for the full year. Since the half-year, sales have improved by 40 per cent on the equivalent period at SNOB, and 70 per cent at Peter Brown 10 years. There has been a combination of acquisitions and expansion since then. Further acquisitions are most likely in three of the

cent at Peter Brown.

Etam said the cost of integrating the businesses would be spread evenly throughout the year. The effect would be leasened in the second half, the group added, by the contribution from neak second tradareas of activity which MB Group has established in the Risdon, a supplier of packaging to the cosmetics market which has a large share of the market for lipstick cases and dispensing systems for fra-grances, but a much lower tion from peak seasonal trad-ing, although it stressed that trading conditions were generally weaker than last year. The company, which was share of the eye-shadow pack-

aging and compact market.

Simplimatic, which makes Simplimatic, which makes equipment for the packaging industry, for example for handling cans, and which has been expanding to make parts handling equipment for other industries.
 Clarke Checks, the fourth largest IIS chaque printing

largest US cheque printing made several acquisitions, and now has 32 plants with ambitions to add a further 17 plants by 1992. That would give it a national presence at a time when the US banking industry moves fully to interstate bank-

MB Group has also set up a joint venture with Alcoa, the US aluminium group, called Genesia Packaging Systems, which will make hi-tech packaging for prepared foods.

Tullow Oil in profit

Tnllow Oil, Third Market-quoted explorer and producer of hydrocarbons, achieved pre-tax profits of I£17,513 (£14,890) for the six months to June 30, against losses of £263,346. Earnings came out at 0.03p

(0.7p losses) per share. The company intends to seek a quote on the USM.

operating 185 (172) outlets at the halfway stage, added that the core business of Etam and Tammy had continued to per-form satisfactorily.

Total retail space increased from 447,000 sq ft to 538,000 sq ft. Some 65,000 sq ft has been opened since the beginning of the financial year and the opening of a further 20 outlets are planned soon. Etam said further acquisi-tions were unlikely in the next

two or three years.

COMMENT

There is a school of thought which says Etam is being unduly pessimistic about the way in which it has managed SNOB and Peter Brown since SNOB and Peter Brown since they were acquired as loss-makers last year. These interim figures were flattered by £559,000 of property profits, slightly offset by reorganisation costs, but the promise that the two new chains will break even, or even return to profit in the full year is a heartening one. On the other hand, times are comparatively hard for retailers: Etam's core busiretailers: Etam's core businesses were showing like-on-like sales growth of 19 per cent at the beginning of the finan-cial year, but this dropped to 9

1985 1986 1987 1988 or 10 per cent towards the end of the interim period. Austin Reed, another clothes group, also sounded a note of caution

also sounded a note of caution in its interim statement yesterday. Etam shares came down from a high of 344p before the crash to as low as 192p last month. The price has probably bottomed out, but investors may have to wait a while before it bounces back. Forecast pre-tax profits of between 220m and £23m for the year put the shares, down ap to 197p yesterday, on a prospective multiple of 9 or 10.

Austin Reed cautious on second half

retailer, reported pre-tax profits up 18 per cent from £2.56m to £3.03m in the 28 weeks to August 13.

August 13.

However, the company declared an unchanged interim dividend of 3p, in view of less buoyant trading conditions.

Mr Neil Fitton, managing director, said: "Our planning for the factor of the control of the

for the future is very positive. We have got a lot of new devel-opments and irons in the fire. But the Chancellor has given

the second half." Austin Reed said the decline in tourist spending, combined with the stock market crash a year ago, had created less favourable conditions for the

London branches, Turnover rose 12 per cent from £33.87m to £38.1m, and earnings per share were up to

A strong performance from the manufacturing division, which supplies export markets,

Restructure for MSCC board

MANCHESTER SHIP Canal Company shareholders yester-day voted overwhelmingly to restructure the board and increase the company's borrowing powers by £45m to help finance future developments. The vote will not prevent a public inquiry into the propos-

SOCIETE INTERNATIONALE PIRELLI S.A. -

BASLE

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7½ % £40 Million guaranteed convertible bonds

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In accordance with condition 11 (B) (f) (i) of the first schedule of the Trust Deed for the above mentioned convertible bonds, notice is hereby

given to the Bondholders that the General Meeting of the Shareholders of Societe Internationale Pirelli S.A. will be held in Basle on Wednesday November 9, 1988.

Requests for conversion into ordinary shares filed on/or before October

20. 1988 shall be submitted to the above mentioned General Meeting

for the creation of the shares needed to satisfy the conversion requests.

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als because they have to be effected through a harbour revision order approved by Parliament. Minority share-bolders with nearly half of the company's ordinary stock have objected and therefore the com-pany will have to justify its arguments at an inquiry.

half profits. Mr Fitton said Austin Reed

was poised to announce the acquisition of a manufacturing company, which would supply an additional product line for the division. The company is continuing

to invest in the refurhishment of its 41 UK stores, just under half of which have been rede-signed with a resulting increase in sales of between 15 and 20 per cent. The remaining branches should be completed branches should be completed within the next two or three years, according to Mr Fitton. Austin Reed, which also trades under the Chester Barrie, Drumohr and Stephens Brothers names, is planning to open two speciality shops in Hong Kong and is also expanding its Cashmeres of Scotlanding in the US, doubling the chain in the US, doubling the number of outlets to eight. A new collection of tailored womenswear will be introduced this winter under the Austin Reed International label.

AUSTIN REED, upmarket the economy a turn and the mainly in Europe, provided the

Pernod opens case against FII-Fyffes

By Kleran Cooke in Dublin

THE LATEST episode in the long and complex battle for the Irish Distillers Group got under way in the High Court in Dublin yesterday with Pernod Ricard, the French drinks

nod Ricard, the French drinks company opening its case against FII-Fyffes, the Irish foods company and a major IDG shareholder.

Pernod, which is locked in a battle for control of IDG with GC&C, the Irish subsidiary of Grand Metropolitan, the UK-based drinks giant, told the court it had received irrevocable guarantees from FII-Fyffes for its holding of 20 per cent of IDG shares.

for its holding of 20 per cent of IDG shares.

Pernod said it had been invited by the IDG board to make a rival hid to Grand Metropolitan's offer for the Irish drinks company. Over the weekend of September 3, Pernod had reached agreement with FILFyffes for the sale of the 20 per cent IDG helding at its 20 per cent IDG holding at the price of 450p a share. Pernod said hands were shaken on the deal and docu-

ments had been drawn up. Per-nod alleged that when GC&C Brands subsequently increased its share offer to 525p a share, FII-Fyffes reneged on its agreement and sought to sell its shares to GC&C. Pernod then obtained a court injunction to prevent the FII-Fyfies sale.
Counsel for Pernod told the
packed Dublin courtroom that

if FILFyfies had succeeded in selling its stake to GC&C Brands it would have been "the greatest gazump in Irish

history."
In its offer document, Pernod claimed that — with the FII-Fyffes stake, a 9 per cent interest held by Irish Life, irrevocable acceptances in respect of 18.8 per cent, and shares owned — it controls more than 50 per

— it controls more than 50 per cent of IDG shares. However, while the outcome of the Dublin court case is important, the Takeover Panel in London is also considering whether any breaches of the Takeover Code occurred in sec-uring the irrevocable accep-tances. GC&C has also logged complaints with the European complaints with the European Commission on certain aspects of the Parnod bid. Also, the Irish Government will have to give its approval

Most of the first day's court hearing was taken up by the testimony and cross examination of Pernod's President, Mr Thierry Jacquillat, who, speaking in English, gave his version of the week. end in early September. Judgement on the case is not expected before the end of next

Nikki Tait adds: In London, GC&C Brands has described the offer document as "confusing" and the hoard recommen-dation for the lower Pernod offer as "extraordinary." It argues that Pernod's intention of preserving the existing structure and marketing of Irish Distillers will "prolong the stagnation of the Irish whiskey industry."

Kleinwort Asset

Kielnwort Benson Sterling Asset Fund had a not asset value of £23.93 (£22.425) per participating share at April 1 compared with £22,425 a year earlier.

Gross profit for the six month period was £14,832 (£13,635) and net revenue £6,066 (£2,824).

Pillsbury says Pennsylvania has dismissed GrandMet plea

PILLSBURY, the US food and restaurants group facing a \$5.23bn (£3.1bn) takeover bid from Grand Metropolitan, said the UK company had been turned down in its request in Pennsylvania to have a tempo-rary restraining order on its tender offer dismissed, agen-cies report from Minneapolis. Courts in seven US states have issued temporary restraining orders enjoining

GrandMet from acquiring any Pillsbury stock on the basis that its acquisition would vio-late state laws banning liquor

manufacturers from owning licensed retail outlets.

GrandMet has said it would sell Pillsbury's 380 licensed restaurants, trading as Steak and Ale and Bennigan's, to avoid conflict with these so-called tied-house evil" laws.

an amended other next want day.

Securities and Exchange Commission: late on Wednesday,
GrandMet said it entered into
preliminary discussions with
alcohol beverage authorities in
relevant states to seek an
exemption from the laws. unable to obtain such agree-ments, it could "decline to accept for payment or pay for any Pilisbury shares".

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TATAL

NEW YORK

GrandMet in £3.5bn loan plan

year loan, and a commitment

By Stephen Fidler, Euromarkets Correspondent

GRANI) METROPOLITAN, the drinks, food and retailing group, said yesterday it had put in place a \$5m (£3.54m) loan, the largest corporate financing ever raised in the international bank market, to finance its takeover bid for Dilleburg

The company, which has arranged the financing itself, had already announced that \$3.75 to of the financing had been underwritten by the four main UK clearing banks. It was not not that the said workerley that it internasaid yesterday that six interna-tional banks would join the transaction, each underwriting

They include Commerciank and Deutsche Bank from West Germany, Société Générale of Germany, Societe Generale of France, Sumitomo of Japan and Swiss Bank Corporation. The banks will all be paid an interest margin over London interbank offered rates of % percentage point on the three-

L&B discounts general offer

for New Tokyo

By Nikki Telt

London & Bishopsgate Holdings said yesterday that it was not currently considering a general offer for New Tokyo investment Trust, a 270m specialist fund managed by Edinburgh Fund Managers. This was due to "present market conditions in Japan and the TRE" is set.

L&B is the private invest-LAB is the private investment management company owned mainly by Mr Robert. Marwell and Lord Donoughus. Back in early-September, LAB approached the fund – in which it has now built up a 27.6 per cent stake – with proposals which involved changing the investment policy to that of tracking the Tokyh New Frai Section Index.

The scheme, it suggested, might lead to proposals being put to shareholders which "could include an opportunity for holders to sell their shares at a fixed discount from the adjusted net asset value on a prefetermined date".

Discussions between advis-

Discussions between advis-ers have since ensued, but New Tokyo made clear yesterday that, in the absence of any "cash out", it saw no purpose in putting the proposals to abareholders.

Exactly where this leaves the trust is slightly unclear. L&B says that it intends to continue to pursue the indexi-tion proposal with the trust's

The size of L&B's stake would allow it to block any alternative reconstruction scheme. It could, however, call an extraordinary meeting if it wished to put any proposals directly to shareholders. Yesterday, L&B declined to comment further.

The caps, said Mr McCann, have the advantage over interest rate swaps in that they are highly flexible.

A further \$1bn of the company's portfolio was already fixed by interest rate emaps at an average weighted rate of \$1 per cent.

It is still musual through year loan, and a commitment commission on the undrawn portion of the financing of % per cent. A further utilisation fee of % per cent is payable on amounts drawn above \$4.5m.

The financing, which the company described as being wildly averable or her districtions. wildly oversubscribed, is expected to be more widely syndicated among banks next week by National Westminster. However, Mr Michael McCann, GrandMet's group treasurer, said it was imparative that the loans were speedily put in mace. It is still unusual, though

it is still unusual, algorithm not as rare as it was, for companies to arrange large back. firancings them salves, although the increasing sophic tication of corporate treasmers makes it increasingly likely that the trend will grow.

The largest international In order to reduce the impact in order to reduce the impact of rises in interest rates on the company, GrandMet's finance department also put in place about five weeks ago some \$2bm in interest rate caps. This places an interest rate ceiling of 9 per cent on some \$2bm of its three-year habilities. Then floating interest rates. bank financing previously raised was for \$5tm by British Petroleum in March last year to finance a tender offer for the

shares of Standard Off it did not own.

GrandMet said an extraordi-

nary meeting of shareholders would be called for October 24. October 24

Trafalgar buys Costain shares According to notices sent out

Trafalgar House, hotels, shipping and construction company, is understood to have acquired additional acquired over 100,000 shares shares in Costsin, mining to last week construction group.

floating interest rates were about 8% to 8% per cent.

by Costain under section 212 of the Companies Act, Trafalgar

DIVIDENDS ANNOUNCED

Dividence shown perces per ehere not except where otherwise, stand.
"Equivalent after allowing for sorto Jesue. 10n capital increased by rights starte souther adults in the starte starte of the starte starte starte souther souther

BOARD MEETINGS

BCPF buy more and declare bid for TRIG unconditional

BRITISH COAL Pension Funds (BCPF) declared their 2560.5m bid for TR Industrial & General (TRIG), Britain's third largest investment trust, uncondi-tional materials assets as tional yesterday morning after claiming control of more than

claiming control of more than 50 per cent of the equity.
When they launched the hid, the funds already owned 36.1 per cent. By the first close at 5pm on Wednesday, they had added acceptances in respect of 40.5m shares — 9.4 per cent — and then a "tea-time" market raid netted a further 12.2 per cent. The latter shares were all purchased at the 128.5m a share purchased at the 129.5p a share bid price — an 8.7 per cent discount to brokers' estimates of current net asset value.

That gave the pension funds
57.7 per cent of the equity. But
they remained in the market yesterday adding a further 5.5 per cent by lunch-time. Fur-ther small purchases are believed to have been made in

the afternoon, taking total con-trol to around 65 per cent. Mr Paul Whitney, chief executive of CIN Management, which handles the floon funds, said that future management of the trust would still depend upon the final outcome - in particular, the degree of con-trol established by BCPF. A meeting between the two camps' advisers is understood to have taken place yesterday afternoon, and further meet-ings seem likely.

Touche Remnant, the private

fund management group which runs TRIG, said only that it would offer guidance to share holders as soon as possible. The questions of management of the trust and BCPF's intentions may well affect the advice given. Touche added that it would

be happy to continue managing the trust if requested. Should the management con-tract be severed, there is provitract be severed, there is provi-sion for compensation to be paid to Touche. This is equiva-lent to between one and two years' management charges. The annual charge is 0.2 per cent of quoted assets. The bid's success, however, raises further question-marks over Touche Remnant itself, which has seem assembly or

which has seen assaults or reconstructions at four other trusts during the past year. TRIG, besides being the larg-

fund management company with around 27 per cent of the

est trust in TR's stable. accounts for about one sixth of funds under management, and has been seen as the flagship of the group. It is also the larg-est single shareholder in the

equity. TR's other trusts, together with Liberty Mutual, the American insurer which came in as the first external share-holder during the summer, have pre-emptive rights to buy this stake. Touche has indi-cated that this right may well be exercised.

However, the fund manage-ment company appears to be digging in its heels over TR. Australia, a smaller £40m trust. where another investment trust, River Plate & General,

announced a 28.6 per cant voting interest last week.

In a letter to shareholders, Sir Anthony Touche, chairman of TE Australia, said that various reconstruction schemes have been considered in the past two years but "no available scheme was likely to be cost-effective and to the advantage of all shareholders". He argued that, with assets in a relatively illiquid market, a closed end fund was particu-larly appropriate. However, he added that the structure of the company was being kept under

Morgan Grenfell, TR Austra-lia's adviser, has also sent out-various notices under section 212 of the Companies Act, which allows companies to establish the beneficial owners of their shares. This should allow TR Australia to establish when certain share transactions related to the new stake took piace,



has acquired

the electronic scrap refining facility of Engelhard Corp.

Cinderford, United Kingdom

This purchase does not affect other refining operations. at Engelhand's Cinderford facility. Soptember 1988



Preliminary Results

Year to 30th June £168.85m

Profit before tax Earnings per share Dividends per share

£6.31m

5.81p

UP 26% UP 32% £134.31m £4.79m UP 20%

*All activities contributed to increased profits.

★Good start to the current financial year. ★The Board expects that the current year will be even more successful than the last.

Copies of the Report and Accounts will be available

from 31st October 1988 and may be obtained from Galliford plc

CONTRACTOR OF THE STATE OF THE

UK COMPANY NEWS

Heron increases stake in Virani property group to 15%

Control acquires £62.5m portfolio

By Paul Chesseright, Property Correspondent

REBON CORPORATION, Mr Margate and office towers in properties in this case were Gerald Ronson's privately Cardiff said to be of higher quality Gerald Ronson's privately-owned company, will hold 15 per cent of Control Securities following a 262-5m series of dis-posals to Mr. Naunu Virani's property and general invest-

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ment group.

The most significant property being sold by Heron is the 244-bed Holiday Inn at Marille Arch in London's west end. Control is paying £33m and intends to make the hotel the flagship of a leisure property portfolio already established through the purchase of hotels from Trusthouse Forte and pubs from Grand Metropolitan. There are 11 other properties in the portfolio, all developed in the last two years. They include a shopping centre in

Control will pay Heron partly through the issue of 50m new shares at 60p, which com-pares with yesterday's close of 53%p. The deal will result in Heron increasing its stake in Control from 2.7 per cent to 15

Heron first forged an alli-ance with Control in July 1987. Its shareholding is now roughly the same size as that held by Mountleigh, while British Land has 11.8 per cent and London and Edinburgh Trust 4 per cent.

Control has grown rapidly on the back of the purchase and re-sale of properties. The latest transactions are part of the same pattern, although than most of those previously

The balance of the purchase price - £32.25m - is being paid in three instalments: £15.5m at completion, £8.5m in March 1989 and £8.25m in September 1989.

Control, therefore, can take possession of the properties for a cash outlay of £15.5m. This, however, is likely to be rapidly offset. The company has a buyer, prepared to pay around £10m, for an industrial estate near Spagnetti Junction, Birmingham - part of the Heron

portfolio. Mr Virani said that Control's gearing was little changed at about 20 per cent. A check on

the sale of five other proper ties, originally bought from British Land, for £22.5m. Seles since last April by Control total £70m.

Links between Control and Heron have also been tightened by the setting up a joint venture company into which both groups will inject \$11.5m. (£6.8m).

The new company is spending \$217m on buying 31 free-hold properties with an average occupancy rate of 50-55 per cent from Pima, the Heron savings and loans unit. The properties had passed into Pima's bands after defaults on loans, and their movement into a new company will liberate capital for Pima.

Sun Alliance to sell Canadian subsidiaries

SUN: ALLIANCE, the composite insurer, plans to sell its two Ontario-based Phoenix insurance subsidiaries for about C\$55m (£27m), shrinking its exposure to the highly volatile Canadian reconstructure. tile Canadian property/casu-alty insurance market. The buyer is to be New York-based Continental Corporation, which currently runs both businesses on Sun Alli-auce's behalf as part of an underwriting pool based in

oronto. The two Ontario companies were originally acquired by Sun Alliance in mid-1984, as part of its \$400m takeover of a rival UK insurer; Phoenix Assurance in 1987, they pro-duced premium income of C\$55m and net underwriting losses of C\$2.8m, Sun Alliance

The news will mean the final severance of all trading ties between Sun Alliance and Conbetween sun America aim car-tinental. The US company, the 12th biggest US property/casu-alty insurer, had a long-stand-ing business relationship with Phoenix Assurance and owned 24.3 per cent of it until the takeover by Sun Alliance.

Mr Colin Tuke, Sun Alliance's assistant general manager (overseas) said the funda-

mental reason for selling the two companies was that their business "was increasingly taking on a Continental flavour. They were really a Conti-nental-run operation where we lacked influence or control," he

In particular, Sun Alliance was concerned that the Toronto-based pool was becoming exposed to US liability insur

Setback sees Berry Birch

dip to £257,000 midway

TAXABLE PROFITS fell 58 per interest payable and other

cent from £546,151 to £257,008 charges took £17,589 (nil).
at Berry, Birch and Noble in The directors said the com-

the six months to July 31. puny's planned expansion had Turnover, however, was up 31 not materialised during the

per cent at £2.96m, against first half. However, it had mar-22.28m previously. keted a number of new con-Operating profit of the tracts which would benefit

USM quoted company, which is future income, The intering div-involved in financial services idend is held at 1.5p on earn-

ance risks. A further factor behind its decision was that the Canadian market for large commercial risks was entering a cyclical downturn, Mr Tuke

Sun Alliance already has the smallest Canadian exposure of any of the quoted UK composites. The planned divestiture will leave it with one remaining operation there, Sun Alliance Insurance Company, which had £42m of premiums

Its business comes primarily from personal and smaller commercial lines risks, particularly in Nova Scotia and Newamdland, Mr Tuke said this still had

room for growth but there were no plans to expand it by acquisition in the near future. Sun Alliance also said yesterday that it had signed a lei-ter of intent with Continental to buy from the US company French underwriting agency, Groupe Barthelemy, which has premiums of about FFr100m

Sun Alliance already controls another French underwriting agency, Groupe Sprinks, and Mr Tuke said it hoped the two would together provide a base for expansion, mainly in property insurance. Sun Alliance's shares closed

up 1.5p at £10.05. Mr Simon Willis, insurance analyst with stockbroker County NatWest Woodmac, said: "It seems that Sun Alliance is not getting that much for the Canadian companies, but in view of the downturn in the Canadian market

Photo-Me raises profits for year 19% to £11.29m

PHOTO-ME International, makes 3p (1.6p adjusted for last photographic booth manufac-turer and operator, lifted pre-tax profits by 19 per cent to £11.29m in the year to end-

The advance from £9.53m was achieved on turnover 17 per cent ahead at £76.83m involved in financial services idend is held at 1.5p on earn-and insurance broking, was ings per 10p share of 2.6p rose to 19.72p (16.73p), and a down to £228,26i (£486,338) and (5.5p).

December's sub-division of shares) for the year.

Murray Ventures

Net asset value of Murray Ventures, investment trust, 363.4p at July 31, from last time's 381.3p. Final dividend 3.85p, for a total of 6p (5.25p).

Minorco, Gold Fields had merger plan

MINORCO, the South corn that the principal South African controlled investment. African shareholders in the £2.9bu for Consolidated Gold shie to exercise more than 2 Fields, yesterday released a per cent of the votes except a detailed account of abortive special situations. No concern merger talks between the two companies in 1966. Following, are edited extracts from this document, Putting the Record

reported comments from Mr. Rudolph Agnew chairman of Gold Fields, Minorco now believes it is appropriate to refer to the discussions which took place between Minorco and Gold Fields late in 1986. Minorco has asserted its con-fidence in the commercial and

financial logic underlying its offer and has been surprised by the outright rejection of this logic by Gold Fields, given the substance of merger discussions between the two compa-

nies in 1986.

A first phase of discussions, which began in September 1986, was initiated by Gold Fields' then adviser, SG Warleys. The proposals submitted to both Minorco and Gold Fields by Warburg envisaged the creation of a new holding company, to be located in continental Europe, into which both Minorco and Gold Fields

would be merged. These talks were terminated in early December, even though Minorco and Gold Fields had agreed on the com-mercial and financial logic of

mercial and financial logic of such a merger and even on the outline business plan for the new company which was prepared by Mr Agnew and accepted by Minorco.

Substantial agreement was reached on the composition of an independent board and Minorco agreed that Mr Agnewshould hold the position of chief executive. Both parties chief executive. Both parties agreed that there should be an

independent chairman.

company which is bidding new company should not be per cent of the votes except in special situations. No concern was expressed in relation to the level of equity participa-traight.

Over the then market price of In the light of recently Gold Fields shares, in consequence of the principal share-holders going through the 30 per cent voting threshold, was

a further reason for the termi-nation of these discussions. A second phase commenced early in December when Minorco and its adviser, Mor-gan Grenfell, developed propos-als for a friendly merger by means of a public offer which would have afforded Gold-Fields public shareholders a 29 per cent premium over the then market price. The outline business plan for the enlarged company was not changed

from that agreed in the earlier phase of discussions. The independence of its board and management were assured by very significant representation from Gold Fields and, in particular, Mr Agnew was assured of the key execution for the layer. tive position in the enlarged

This satisfied the concern expressed by Gold Fields' exec-utives that the South African shareholding might impair the business prospects of the

enlarged group.
Minorco's proposals were submitted to Gold Fields on December 14 and negotiations took place up to and including December 21. The negotiations were conducted by senior representatives of Minorco and top central management of Gold Fields led by Mr Agnew.

Negotiations on all key aspects of the offer, including board representation and management, had been satisfacto-rily settled by the respective Gold Fields expressed con-

PUBLIC WORKS LOAN BOARD RATES

Effective October 5 -						
Years	24 MP1	Alt			Att	-
1			10%			115
Over 1 up to 2	10%	1034		113		
Over 2 up to 3	1012 -	401 ₂ .	403 ₈	11-5	- 11 ¹ 2	1112
Over 3 up to 4	1032	1038	10 ³ 8	113	113	1112
Over 4 up to 5	10%	.10-2	10-4			11
Over 5 up to 6	103	103	10-8	10%	104	10%
Over 6 up to 7	103	1032	10 -	104	10%	10%
Over 7 up to 8		104	10 4	187	103	10%
Over 8 up to 9	104	104	10 la	10%	103	105
Over 9 up to 10	104	1032		10%		105
Over 10 up to 15		101 ₈		10%	105	104
Over 15 up to 25	97	932	912	103x	104	10
Over 25	834	912	932	1012	10	9%
0101 EV						

"Non-quota loans B are 1 per cent higher in each case than non-quota loans A. fEqual instalments of principal. If Repayment by half-ye armulty (fixed equal half-yearly payments to include principal interest). § With half-yearly payments of interest only.



Julian Ogilvie Thompson, Minorco chairman

chairmen and their advisers before the holding of a special Minorco board meeting on December 20. Mr Agnew called a meeting of the Gold Fields board to take place two days

Minorco approved the offer and its terms. Further discus-sions were held with Mr Agnew and other Gold Fie executives and their advisers that same weekend. On the evening of December 21, subject to approval by the Gold Fields' board, agreement was reached between the two teams on outstanding points, includ-ing the offer price and the wording of a joint press release which strongly endorsed the industrial and financial logic of

the transaction. This was the offer that Mr Agnew and his executives put to the Gold Fields board on December 22 with a view to making an agreed public announcement immediately

thereafter. Despite the fact that the merger proposals had been agreed by executives led by the two chairmen, Gold Fields decided to request Minorco to withdraw its offer which had been expressed as being conditional on a favourable board

In making this request, immediately following the meeting, Mr Agnew and other representatives of the Gold Fields' board made a commitment to Minorco that Gold Fields would participate in continued discussions early in 1987. Mr Agnew made it explicit that Gold Fields fontein.



Rudolph Agnew: took part in earlier talks

acknowledged Minorco's aspirations and that the discussions should embrace all possibilities, including that of

merger. In the light of this undertaking, Minorco allowed its proposal to lapsa.

Mr Agnew subsequently told Mr Julian Ogilvie Thompson, Minorco chairman, that he regretted that he (Agnew) had not kept a number of non-exec-utive directors of Gold Fields adequately in the picture.

At the end of January 1987, while discussions between the companies were continuing, Mr Ogilvie Thompson was informed that Gold Fields had received notification that Gold Fields of South Africa, its then 48 per cent owned associate, and another associate, Driefontein Consolidated, through a joint company, had raised their interest in the capital of Gold

Fields to 7.8 per cent.
Minorco issued a press release at the time indicating its astonishment at this devel opment. Given its wish to achieve a merger with Gold Fields on a constructive and amicable basis, Minorco did not feel it appropriate then to explain publicly the reasons for its attitude.

Against this background,

and particularly in the light of Gold Fields' recent statements regarding South African share-holders, Minorco has noted the revelation that Gold Fields has secured the commitment of GFSA to decline to accept Minorco's current offer in respect of the 7.8 per cent interest held jointly with Drie-

HONG KONG AS A FINANCIAL CENTRE

The Financial Times proposes to publish this survey on:

26th OCOTBER 1988

Colefax in **Buoyant construction sector** purchase to helps Galliford rise to £6.31m control US

By Richard Tomkins, Midiands Correspondent

BUOYANCY IN the construction sector and a strong housing market helped Galliford, Leicestershire based contracting and housebuilding group, increase pre-tax profits from £4.8m to £6.81m in the year to June 30 1988.

Turnover advanced from £134.31m to £168.85m and earnings per share rose by 36 per cent from 4.27p to 5.81p. A final dividend of 2.5p is proposed, making 3.2p (2.67p) for the

for Colefax to take control of its own distribution in the US The 1987 results were restated to reflect the acquisiand to expand its presence in tion of J H S Builders' Mer-North American. chants in January 1988. Contracting increased its

Colefax went public in June.
The US, its leading overseas
market, provided 20 per cent
of its £11.5m sales last year. profits contribution from \$2.08m to £2.42m despite keen competition. Four motorway Mr Green said the Colefax reconstruction contracts also made a useful contribution. range would be transferred from its established US distrib-utor to Cowtan, this should produce an immediate

improvement in margins.
Colefax distributes Cowtan's
products outside North America. Since its formation ten
years ago Cowtan has built ap
a \$13.8m business.

distribution

COLEFAX AND FOWLER.

which makes the wallpaper and furnishing fabrics that

adorn some of the grandest

drawing rooms, is buying Cowtan and Tout, a US fur-nishings company, for \$16.8m

Mr David Green, chief exec-utive, said the acquisition offered "a perfect opportunity"

By Alice Rewethorn

(£10m).

The acquisition will be funded by shares and cash. Phillips & Drew, broker to Colefax, is conditionally placing 6.09m shares at 130p a share. Existing shareholders can buy-20 new shares for every 41 held at 130p a share. Colefax's shares fell by 3p to 140p yesterday, against an original flotation price of 125p.

Colefax forecasts interim

pre-tax profits to exceed £590,000 (£498,000) in the six months to October 31, with an interim dividend of 1.1p.

"What was happening in the lic sector saw Galliford's prof south-east two years ago is now spreading throughout our area of operation, and I'm confident this will continue for

some time." Profits from private housebuilding rose from £724,000 to £1.63m as demand in the eastern counties strengthened. Completions increased from 174 to 203 at an average price up from £42,000 to £44,000, and

construction materials, increased profits from £1.47m to £1.78m amid strong demand. Profits from other activities fell from £531,000 to £474,000,

Mr Eric Pugh, managing director, said the construction sector was still very strong. Heavy dependency on the pub- to rate them a strong hold.

Mr Pugh said at least 250 com-pletions were scheduled this The supplies and services division, mainly merchanting

reflecting the disposal of the Chorley division.

the late 1970s and 1980s as spending cuts took their toll, but the latter day buoyancy of the private sector combined with some modest acquisitions has taken the pre-tax figure sharply upward for a second year running. The trend should continue into a third. Contract ing is the beneficiary of a heavy programme of urban renewal in provincial Britain, where Galliford's role as a founder shareholder in Birmingham Heartlands (a private sector urban development cor-poration) is particularly significant, and housebuilding is still a healthy business in the eastern counties. On forecasts of £8.1m, the shares at 74p are at

its moving sideways through

UTC more than doubled to £2.6m

UTC, stockbroking and corporate finance group, more than doubled taxable profits from £1.15m to £2.59m in the six months to the end of June 1988 on turnover up 49 per cent at £9.35m, against £6.29m.

USM-quoted company were 11p (8p) basic or 9.8p (8p) fully diluted. The interim dividend is being increased to 4p (3p).

The company is also planning a constructor experiments. ning a one-for-ten scrip issue of redeemable convertible prefer-Rarnings per share for this, ence shares with a coupon of

The company said all operations made a strong firsthalf contribution. Mr John Vincent, chairman, said that with cash balances of £14m and organic growth the group expected continued progress.

a premium to the sector on a

prospective p/e ratio of nearly 9.5, but the fillip of the gener-ous dividend policy is enough

Organic growth helps Musterlin return to profit

A 20 per ceut increase in organic growth and a satisfactory contribution from Agon, its Dutch publishing subsid-iary, enabled Musterlin Group, USM-quoted publisher, to \$268,000, on turnover of 23.56m return to profit in the six (£2.55m). Losses per 20p share months to June 30. (£2.65m). Losses per 20p share were cut from 4.33p to 1.02p.

were cut from 4.33p to 1.02p. The interim dividend is main-Taxable profit was £25,000, The interim against last time's losses of tained at 1p.

Anglo American Investment Trust Limited (Incorporated in the Republic of South Africa) Registration No 05 08081 06

ANAMINI

Interim report and dividend

for the six months ended September 30 1988 (unaudited) **Balance sheet**

Income statemen			
(Rmilion)	Six growths ended 30.9.88	Six months ended 30.9.87	Year ended 31.3.88
Dividends from listed associated company unlisted investments Interest earned less administration expenses	44.2 10.3	27.0 6.3	108.0 53.9
Net income before taxation Taxation	(0.5) 54.0 0.4	(0.6) 32.7 0.3	(1.1) 160.8 0.5
Net income after taxation Preference dividends	53.6 0.1	32.4 0.1	160.3 0.3
Attributable earnings Share of retained earnings of associated company	53.5 281.1	32.3 125.3	160.0 280.1
Equity accounted earnings Share of associated company's extraordinary item	334.6	157.6 (3.9)	440.1 2.3
Ordinary dividends	437.5 53.0	153.7 32.0	442.4 160.0
Transfer to non-distributable reserve	384.5 384.0	121.7 121.4	282.4 282.4
Retained earnings	0.5	0.3	
Earnings per ordinary share – cents Attributable earnings Equity accounted earnings Dividends per ordinary	535 3 346	323 1 575	1 600 4 401
share — cents — Interim — Final	530	320	320 1 280

30.9.87 31.3.88 30.8.88 (Remission) Shareholders' equity Share capital 10.0 10.0 10.0 Non-distributable reserve 1257.8 1359.0 1743.0 Retained earnings 80.3 80.0 1 833.5 1348.1 1 449.0 Investment in associated company - listed 1819.4 1334.3 1435.4 Other investments - unlisted 11.6 11.6 11.6 1345.9 1447.0 1 831.0 56.1 34.7 130.6 Debtors and cash Dividend payable and other 53.6 32.5 128.6 creditors 2.2 2.5 2.0 Net current assets 1 833.5 1348.1 1449.0 Market and directors' values of investments: Listed associated company - market value 5 155.5 3 044.2 398.7 Unlisted - directors' valuation 298.1 352.8 5 453.6 3 397.0 Number of ordinary shares in issue (millions) 10 10 10 Net asset value (after providing for dividend) 54 508 33 940 -cents per share 44 764

Comment

The company's major asset is its 25.86 per cent investment in its sole listed associated company, De Beers Consolidated Mines Limited (De Beers), and the following information was included in that company's interim results for the half-year ended June 30 1988 which were published on August 16 1988:

Str months ended 30.6.88	Six months ended 30.6.87	Year ended 31.12.87
216 331	109 164	282 410
45	27.5	27.5 82.5
	216 331	ended so.6.87 216 109 331 164

period January 1 to June 30 1988 were R4 691 million (US\$2 201 million), compared with R3 214 million (US\$1 560 million) during the corresponding period in 1987 and R3 086 million (US\$1515 million) during the second helf of that year,

The De Beers interim report stated that the indications are that diamond sales will continue to be satisfactory in the second half of the year.

For and on behalf of the board J Ogilvie Thompson Directors GWH Rellly

Dividend

On Thursday, October 6 1988, the directors of the company declared interim dividend No. 97, as follows:

Amount (South African currency)	530 cents per share	
Last day to register for dividend (and for changes of address or dividend instructions)	Friday, October 28	
Registers closed from to (inclusive)	Saturday, October 29 Saturday, November 12	
Ex-dividend on Johannesburg and London stock exchanges	Monday, October 31	
Currency conversion date for sterling payments to shareholders paid from London	Monday, October 31	
Dividend warrants posted	Monday, December 5	
Payment date of dividend	Tuesday, December 6	
Rate of non-resident shareholders' tax	14.9989 per cent	

By order of the board

Anglo American Corporation of South Africa Limited Secretaries per TS Johnson, Divisional Secretary

October 7 1988

Head Office: 44 Main Street Johannesburg 2001

London Office: 40 Holborn Viaduct

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Vert ahead

by 26% to

over £2m

By Alice Rewethorn

NORDDEUTSCHE LANDESBANK **GIROZENTRALE**

NOTICE OF A MEETING

of the holders of

Norddeutsche Landesbank Girozentrale ¥ 10,000,000,000 6½ per cent. Notes due 1993

NOTICE IS HEREBY GIVEN that a Meeting of the holders (the "Noteholders") of the above-mentioned Notes (the "Notes") convened by Norddeutsche Landesbank Girozentrale (the "Bank") will be held at 12 0000 (London time) on its November, 1988 at the offices of The Bank of Tokyo, Ltd., Northgate House, 20-24 Moorgate, London EC2R 6DH for the purpose of considering and, if thought fit, passing the following Resolution which will be proposed as an Extraordinary Resolution in accordance with the purvisions of the Fiscal Agency Agreement dated 5th March, 1986 made between the Bank and The Bank of Tokyo, Ltd. (the "Fiscal Agency") and others relating to the Notes.

The Resolution, if passed, will modify, inter atia, the Terms and Conditions of the Notes (the "Conditions") by the insertion of an additional Condition pursuant to which the Bank may, without the consent of the Noteholders or the holders of the coupons appertaining thereto (the "Couponholders" and the "Coupons, respectively), effect the substitution of a body corporate incorporated or established outside the Federal Republic of Germany as debtor under the Notes and Coupons and the discharge of the Bank from its obligations and fisabilities under the Notes and Coupons, subject to the payment of principal, interest and other amounts to respect of the Notes being unconditionally and irrevocably guaranteed by the Bank.

Noteholders should note, in particular, that, in concection with any substitution effected pursuant to the modifier Notenoiders should note, in particular, mat, in confection what any substitution election parsiant to the modern of confidence, the Bank will not be required to have regard to the consequences of such substitution for individual N holders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connet with, or subject to the jurisdiction of, any particular territory and no Noteholder or Couponholder will be entitle claim from the Bank or the substituted debtor any indemnification or payment in respect of any tax or other contents.

Full details of the background to, and the reasons for, the proposed modification and the Extraordinary Resolution are contained in an Explanatory Statement propared by the Bank dated 7th October, 1988, copies of which are available for collection by Noteholders at the specified offices of the Agents for the Notes specified below. The Explanatory Statement contains, inter airs, (1) the form of the Substitution of Debtor Condition which will be incorporated in the Conditions if the Extraordinary Resolution is passed and (2) the form of the Deed of Guarantee by the Bank in, or substantially in, the form in which it will be executed in connection with any substitution of debtor effected in accordance with the Conditions as so modified (and having attached Conditions in, or substantially in, the form which would apply following any such substitution).

The Resolution to be proposed at the Meeting is as follows: -

EXTRAORDINARY RESOLUTION

"THAT this Meeting of the holders (the "Notcholders") of the ¥ 10,000,000,000 6½ per cent. Notes due 1993 (the "Notes") of Norddentsche Landesbank Girozentrale (the "Bank") Issuad under a Fiscal Agency Agreement (the "Fiscal Agency Agreement") dated 5th March, 1986 made between the Bank and The Bank of Tokyo, Ltd. as Fiscal Agent (the "Fiscal Agent") and others, hereby: -

(i) assents to the modification of the Terms and Conditions of the Notes (as printed on the reverse thereof and in The First Schedule to the Fiscal Agency Agreement) proposed in paragraph (b) of the Explanatory Statement issued by the Bank and dated 7th October, 1988, a copy of which has been produced to this Meeting and initialled by the Chairman hereof and hy or oo behalf of the Bank for the purpose of identification;

(2) sanctions every modification, abrogation, variation, compromise of, or arrangement in respect of the rights of the Noteholders and the holders of the Coupons appertaining to the Notes against the Bank involved in, or resulting from the modification referred to be paragraph (1) of this Resolution or any substitution of debtor made pursuant to, and in accordance with, the Terms and Cooditions of the Notes as so modified; and

(3) authorises the execution of a Supplemental Fiscal Agency Agreement in the form of the draft produced to this Meeting and for the purpose of identification signed by the Chairman hereof to give effect to the modification referred to io paragraph (i) of this Resolution.*

The attention of Noteholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in paragraph 2 of "Voting and Quorum" below.

Copies of the Fiscal Agency Agreement (including the currently applicable Conditions) and of certain other relevant documents are available for inspection by Noteholders at the specified offices of the Agents for the Notes specified

A Noteholder wishing to attend and vote at the Meeting io person must produce at the Meeting either the Note(s), or a valid voting certificate or valid voting certificates issued by an Agent relative to the Note(s), in respect of which he wishes to vote.

A Noteholder not wishing to attend and vote at the Meeting in person may either deliver his Note(s) or voting certificate(s) to the person whom he wishes to attend on his behalf or give a voting instruction (on a voting instruction form obtainable from the specified office of any of the Agents specified below) instructing an Agent to appoint a proxy to attend and vote et the Meeting in accordance with his instructions.

Notes may be deposited until the time being 48 hours before the time appointed for bolding the Meeting (or, if applicable, any adjourned such Meeting) but not thereafter with any Agentor (to the satisfaction of the Fiscal Agent) held to the Fiscal Agent's order or under its control by Euro-clear or CEDEL S.A., for the purpose of obtaining voting certificates or giving voting instructions in respect of the relevant Meeting. Notes so deposited or held will be released at the conclusion of the Meeting (or, if applicable, any adjourned such Meeting) or upon surrender of the voting certificate(s) or, being not less than 72 hours before the time for which the Meeting (or, if applicable, any adjourned such Meeting) is convened, the voting instruction receipt(s) issued in respect thereof. 2. The quorum required at the Meeting is two or more persons present holding Notes or voting certificates or being

no quotum required a the Meeting is two or more persons present rooting (votes or voting certificates or being proxies and holding or representing to the aggregate more than one half of the principal amount of the Notes for the time being outstanding. If within halfan hour from the time appointed for the Meeting a quotum is not present at the Meeting, the Meeting will be adjourned and the Extraordinary Resolution will be considered at an adjourned Meeting (notice of which will be given to the Noteholders). The quotum required to consider the Extraordinary Resolution at such an adjourned Meeting will be two or more persons present in person holding Notes or voting certificates or being proxies whatever the principal amount of the Notes so held or represented by them.

Every question submitted to the Meeting or the adjourned Meeting will be decided on a show of hands unless a poll is duly demanded by the Chairman of the Meeting or the Bank or by one or more persons holding one or more Notes or voting certificates or being provides and holding or representing in the aggregate not less than one-liftioth of the principal amount of the Notes then outstanding. On a show of hands every person who is present in person and produces a Note or voting certificate or is a proxy shall have one vote. On a poll every person who is so present shall have one vote to respect of each *1,000,000 principal amount of the Notes so produced or represented by the voting certificate so produced or in respect of which he is a proxy. On a show of hands a declaration by the Chairman of the Meeting that a resolution has been carried or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-fourths of the persons voting thereon upon a show of hands or, if a poll is duly demanded, then by a majority consisting of not less than three-fourths of the votes given oo such poll. It passed, the Extraordinary Resolution will be binding upon all the Noteholders, whother present or not present at such Meeting, and upon all Couponholders and each of the Noteholders and Couponholders will be bound to give effect thereto accordingly.

AVAILABILITY OF DOCUMENTS

Copies of the Fiscal Agency Agreement may be inspected, and copies of the Explanatory Statement, voting certificates and other documents referred to above may be obtained, by Noteholders from the specified office of any of the Agents

The Bank of Tokyo, Ltd. 3–2, Nihombashi Hongokucho i Chuo-ku, Tokyo 103.

Bank of Tokyo (Schweiz) A.G., 8023 Zurich

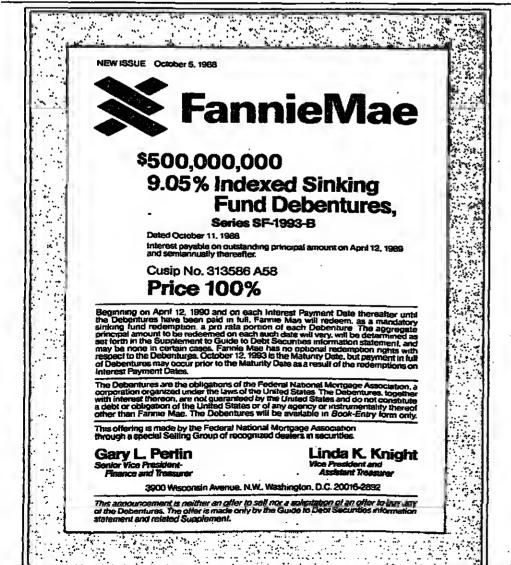
The Bank of Tokyo, Ltd.

PAYING AGENTS The Bank of Tokyo, Ltd., Avonue des Arts 58,

The Bank of Tokyo (Luxembourg) S.A., 1-3 Ruo du St. Esprit, 1475 Luxembourg The Bank of Tokyo, Ltd.,

20-24 Moorgate, London EC2R 6DH

This Notice has been approved by an authorised person for the purposes of the Financial Services Act 1986.



UK COMPANY NEWS

HTV ahead of City expectations

By Vanessa Houlder

HTV Group, the FTV contracter for Wales and the west of England, yesterday unveiled better-than-expected results for the year ended July 31 with a 21 per cent increase in pre-tax profits from £11.9m to £14.4m. The share price responded by gaining 23p to 248p.

Turnover increased by 14.4 per cent to £133.4m (£116.6m). Advertising revenue grew by

Advertising revenue grew by 11.6 per cent, from 281.6m to 291.1m, although HTV's share of ITV net advertising revenue fell from 6.45 per cent to 6.37 per cent. Programme sales overseas increased from £2.7m

Exchequer levy was reduced from £5.2m to £3.6m, due to increased income from over-

US buy for

seas programme sales which are charged at a lower

> announced that it was planning a new corporate and managerial structure for the group which, it said, would devolve responsibility into profit cen-tres and help it respond flexi-bly to changes in the

bly to changes in the industry.

Sir Melvyn Rosser, chairman, said he was pleased that after negotiations with the Welsh Fourth Channel Authority HTV had been invited to provide 7.5 hours of programmes a week, while a farther six hours remain mallother six hours remain unallo-

approval from Rockware share-holders. Rockware shares rose

by 1p to 58p yesterlay.

The CWS Glass business comprises two plants at Wigan, in Lancashire, and Worksop, Nottinghamshire. Rockware has five plants. The Wigan factors were mederniced in 1987

tory was modernised in 1987

for £6m and a furnace at Work-sop is currently being rebuilt. The cash price covers fixed assets valued at £10.5m, stock

of £8.75m which had been built

up in advance of the furnace rebuild, and £2.3m in respect

of work done so far at Work-

RHH GROUP, construction and property investment and devel-

opment group, reported taxable profits increased sharply from £782,000 to £2,72m in the first

half of 1988, on turnover up from £7.92m to £22.41m.

period in 1987 have been restated to reflect the acquisi-tion of WSJ (Holdings) on a

merger accounting basis.

Comparisons for the same

West Midlands growth

helps BHH to £2.72m

produces 9 hours of prorammes a week.

An extraordinary charge of company

£293,000 resulted from a provi-sion of £1m for an investment in Super Channel. Against this was set a further reduction of the provision of \$728,000 from the closure of the stationery

activity two years ago.
Earnings per share rose by
18.5 per cent to 42.98p (36.28p).
A final dividend of 8.0p (6.6p) is

COMMENT

After disappointing results at the half way stage, HTV's rat-ing hit a low even by the unex-acting standards of the TV

sop. A further £4.6m will be

spent at Worksop by Rock-ware, and stocks will be rap-idly reduced by about £4m. Rockware is financing the

purchase through a medium-term loan facility to raise

The profit record of CWS

Glass has been bumpy, with a pre-interest profit of £1.2m in the year to January 9 1988. It is

expected to make a £2m profit

in the current year and once the new furnace is complete

annual profits should reach

£4m, says Mr Frank Davies, Rockware's chief executive.

Rockware was in recognition of the view "that a further restructuring of the UK glass container industry is neces-

The CWS said its sale to

ing the renegotiation of its con-tract with S4C and the drift of advertising revenue away from the regions which compounded the general uncertainty surrounding the sector. Although that uncertainty remains, these better than expected results have given new heart to the company's followers.

The company has done well from the S4C negotiations, the advertising trend appears to have plateaued and its resources make it a prime candidate to retain its franchise. Add to that its strong asset backing and the shares appear

good value on a multiple of 5
- assuming that the company makes profits of £16m this

terms.

The glass market has been highly competitive in the 1970s and '30s. However, since 1980 about 30 per cent of the industry's capacity has been closed. In the last two years, prices, which had fallen significantly, have been because the significantly.

have begun to rise again and supply and demand is foughly

supply and demand is foughly in balance.
Although glass has been suffering from replacement by plastics and cans, the market appears to be starting to grow again, with a 2 per-cent gain in the UK in the first half of 1988.

JACQUES VERT has emerged unscathed from the intense competition within the clothing market to increase pre-tax profits by 26 per cent from £1.64m to £2.06m in the six months to July 18. Mr Alsin Green, chairman, said that every area of the business had fared well during the period. The company, quoted on the USM, had secured growth from wholesaling and retailing in the UK and exports had, he said, "been very good indeed," Many clothing companies have suffered from an infinx have suffered from an influx of low-cost imports from the Far East this year. But Jac-ques Vert, which concentrates on higher quality women's wear, tends to compete againt

The new group will have about 32 per cent of the market, with CWS Glass contributing 7.5 per cent. This will give Rockware a slight edge over United Glass, the other leading UK manufacturer, in tomage European, rather than Far Kastern manufacturers.
Sales from UK wholesale

sales from Un. wholesale scivities rose to 59.6m (£8.2m) and sales from shops to £2m (£1.2m). Export sales simost doubled to £2.3m (£1.2m). Jacques Vert's main export mar-lar is North. ket is North America, but it is also expanding in Europe and Japan.

Japan.
Earnings per share increased to 14.06p (10.9p). There is no interim dividend.
Jacques Vert was now expanding its retail activities in the UK, although Kr Green said that the expansion would be restricted by the need not to conflict with existing customasses.

The company is also expanding its manufacturing expacity to keep pace with sales growth. It has acquired Maitland Womensweer from Parkland Textiles and has also expanded its established plants in the north-east and Devon. The cost of manufacturing and retail expansion will absorb over £1.5m in capital expenditure this year.

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Stakis disposes of Mannin operation

Stakis is moving further away from financial services through the sale of Mannin International Holdings to the Royal Bank of Canada for an undisclosed sum. Manuin, based in the Isle of Man, specialteer in financial advice for

stocks The main problems were the uncertainty surroundcated. Under its current contract, which ends by 1990, it Rockware to buy CWS Glass

Morgan ROCKWARE GROUP is aiming to become the largest manufacturer of glass containers in the UK with the proposed £21.6m takeover of the glass business of the Co-operative Wholesale Society. The deal is subject to approval from Rockware share-

Crucible By Andrew Hill

MORGAN CRUCIBLE. industrial materials and elec-

tronics company, is to expand its carbon divison in the US with the \$34m (£20.1m) acquisition of Carbon Products Operation, a subsidiary of General Electric, the largest producer of electric motors in the US.

of electric motors in the US.

The acquisition should save
Morgan about \$8m, by enabling
the UK group to use spare
capacity at CPO's modern
plant at East Stroudsberg,
Pennsylvania, instead of
enlarging existing US facilities. There was competition for CPO, which produces carbon materials for the industrial,

trains and aircraft markets, from four or five other prospective buyers. Mr Bruce Farmer, Morgan Crucible's managing director, said yesterday: "Our people must have been talking to General Electric for the past 15 years, trying to prise CPO out of them."

The purchase is to be funded partly by a £13.6m placing of 5.77m new ordinary shares at 236p each, against yesterday's unchanged closing price of 245p, and the balance by bor-

General Electric is one of General Electric is one or CPO's major customers, accounting for about 20 per cent of sales, and CPO will have a continuing supply arrangement to General Electric for five years and a contraction agreement for motors. mission agreement for motor renewal parts sales.

Apart from electric motors

for industry, CPO also manufactures carbon products for uses ranging from electric shavers to power generation

Industrial products are sold directly and through distributors to the customer, while traction products are sold to original equipment manufacturers and to the replacement

In 1987, CPO made \$3.4m before tax on turnover of \$14.7m, and has told Morgan that the current year's profits are well ahead. The book value of CPO's assets is about \$8m, but Morgan believes substan-tial revaluation of the assets could eliminate much of the

Dual purchase for Salvesen

Christian Salvesen, diversified Edinburgh-based frozen food distributor, yesterday announced its first acquisition in the US transport industry and an extention of its UK brick operations.

The company is paying \$3.7m cash for W H Collier, a leading UK manufacturer of hand-made bricks, selling pri-marily in the East Anglian and south east areas of England.

Directors said the purchase was in line with the strategy of was in line with the strategy to broadening the range of pre-mium quality products and fol-lows the development of the greenfield brick development at Walsall, West Midlands.

Christian Salvesen is also acquiring a 60 per cent holding in SEMO Transportation of Missouri, with an agreement to buy the remaining stake over four years on an earn-out basis. SEMO operates 23 trucks for a range of frozen food pro-ducers and has existing links

with Christian Salvensen.

The sum paid for the initial holding values the group at \$2m (£1.2m).

Bank of Ireland £1m deal

Bank of Ireland has bought an option to acquire a controlling interest in Regency Financial group, owner of a Londonhased life assurance business and part of the US-based Transamerica Life

Companies.

The bank is investing £1m in Regency. Mr Richard Keatinge, Bank of Ireland's UK chief executive, said the option would enable the bank to pur-sue its objective of selling life assurance through its UK branch network.

operations continued to benefit from the resurgence of indus-trial activity in the West Mid-

Hilton Intl

BHH has received "a number of expressions of interest" regarding its housebuilding division, including one from its management. BHH announced in July that the division was no for sale. up for sale.

Earnings per 50p share advanced to 5p (1.68p). A maiden interha dividend of Mr David Fitzgerald, execu-tive chairman, said property development and investment 1.25p is declared.

exceeds target Ladbroke Group said yesterday that its Hitton International

hotels subsidiary would com-fortably exceed the \$100m (£59m) profits target for its-first full year in the group. Ladbroke shares closed 12p higher at 463p.

Mr John Jarvis, director, told Scottish investment institutions at a presentation in Edin-burgh that Hilton had increased pre-tax profits by more than 75 per cent in the nine months to September 30.

· 有關原義 (1996年)

Before you make your own investment in relocation, take a look at the Sirningham Investment. It's been designed to creets the perfect environment for business success. And it's working.

It's given the city the UK's festest neticonvide communications links – including the UK's testest growing international airport. It's supporting use of the UK's most exciting development programmes, with new industrial and commercial projects worth more than £1-5 billion currently in the pipeline.

And it's established Berningham as one of Europe's great business cities, with developments five the new £12Im International Convention Centre and the expanding National Exhibition Centre.

Most important of all, the investment is working directly for hundreds of local companies, which are someofficial could start working for the last ten years.

avestment could start working for

numinamitte zz

> Siminohorn is the manufacturing centre of the UK, with more people engaged in manufacthan Manchester and Sheffield combined. In the twelve months to March 1988.

manufacturing industry in the West Midlands out-performed every other UK region. Commercial rents and rates in Birmingham can be as little as a third of London and South-

Eastern levels. Well over 100 oversees manufacturing firms have already invested in Birmingham.

Birmingham offers the highest level of local authority support to business expansion of any UK city.

RELOCATION OPPORTUNITIES <u>Birmingham</u>

The Investment is working Birmingham City Council, Economic Development Unit, Developme Room 104, Baskerville House, Broad Street, Birmingham 81 2NA.

INTERIM REPORT

EUROTUNNEL P.L.C. Registered Office: Victoria Plaza, 111 Buckingham Palace Road, London SWIW OST. Registered in England No. 1960271. EUROTUNNEL S.A.

Siège Social: Tour Franklin, 100 Terrasse Boieldieu, Puteaux Cedex II, 92081 Paris La Défense, France. Capital FRF 3.323.767.800, RCS Nanterre No. B 334 192 408. The Interim Report to 30th June 1988 of the Eurotumei group of companies was published on 3rd October.
Copies have been sent to holders of units and warrants in registered form and to those holders of units and/or warrants in bearer form who requested copies of the last Annual Report

content of the Interior Region in Region and French may be obtained from any of the following institutions:

Jeannes de Paris D. 3-2 156 405.

Le Rapport Semestriel du Groupe Eurotzinel au 30 jui été publié le 3 octobre.

Une copie de ce Rapport a été envoyée à chaque action nominatif, ainsi qu'aux tinitaires d'unités et/ou de bon aouscription au porteur qui avaient demandé une copi Rapport Annuai publié en avril 1986.

Les copies du Rapport Semestriel en anglais et françai être obtenues suprès des organismes suivants. - National Westminster Bank PLC, Registrar's Dept., PO Box 343, Caxton House, Redeliffe Mead

- Banque Indosnez, 96 boulevard Haussman, 75008 Paris, France -R.F.C., 120 avenue des Champs-Eiysées, 75008 Paris, France. Baskilda Fondekommission, Norriandsgatan 15, PO Box 16067, S-10322 Stockholm, Sweden.

-Al Bank Al Saudi Al Fransi, 16 OM Al Mu'omenin Street 147, Sector 1487, Al Sharafeya -Dist 3, PO Box 1-D Jeddah, Saudi Arabia. -Salomon Brothers Inc., One New York Plaza, New York, NY 10004, U.S.A.

version is available from: -The Nomura Securities Company Ltd., 9-1, 1 Chuo Nihonbashi, Chuo ku Tokyo, Japan.

UK COMPANY NEWS

Walker Greenbank rises to £6.5m

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STRONG CONTRIBUTIONS likely before the end of the from wallcoverings and auto-matic car washing helped Walker Greenbank, diversified consumer products and engineering group, increase pre-tax profits by 27 per cent from 25.12m to £6.52m in the half-year to July 30. year to July 30.

The company spent about the company spent about the first half, adding to its shopfitting, garage supplies and healthcare activities, but realised £356,000 above the line on the sale of an investment in a private company. Walker is currently negotiating joint ventures for the supply of wallcoverings and healthcare products to

Sir Anthony Jolliffe, chairman, said strong cash flow from existing businesses meant borrowings had remained stable at about 25 per cent of shareholders' funds.

"We are buying small com-panies which we can bolt on to our existing core husinesses," said Sir Anthony, adding that more acquisitions in the consumer products sector were

Druck rises

despite

weak dollar

DESPITE THE adverse effects

of the weaker dollar, Druck

Holdings, USM-quoted elec-

tronic pressure measuring equipment manufacturer, lifted

pre-tax profits by 18 per cent to £3.14m in the 12 months to the end of June 1988. Turnover

rose 15 per cent to £14.33m.

Some 54 per cent of group sales emanate from exports and Mr John Salmon, chair-man, said the weaker dollar

reduced profits by over £200,000. However, improved

manufacturing efficiency, con-

trol of overheads and reduced

interest charges resulted in earnings per 5p share rising 21 per cent from 26.2p to 31.8p.

began the current year with an order book of about £6.5m.

Druck was continuing to iden-tify new products and applica-

tions, to improve existing sales outlets and to find new market

The recommended final divi-

dend is raised to 4p, making

heads for **USIN**

Swallewfield, Somerset-based

Securities Market via a placing handled by County NatWest.

shares at 1450 each, representing 31.4 per cent of the enlarged equity. Net proceeds to the company will be £2.25m

and, at the placing price, Swal-

lowfield will have a market capitalisation of £14.1m.

The company was the subject of a management buy-out from Cadbury Schweppes in February 1986. Since 1983, pretax profits have risen from

The placing is being sup-ported with a forecast that pre-tax profits in 1988 will be 37 per cent shead at £1.85m.

Dealings in the shares are expected to begin on October

£149,000 to £1.34m

County is placing 8.063m

manufacturer of telletry and

areas, he added.

6.2p (5.2p) for the year.

Swallowfield.

By David Waller

Mr Salmon said the group

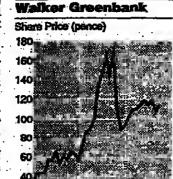
year. He said the group would eventually sell its remaining engineering businesse

Turnover rose from £47.1m to £54.6m and the interim dividend is doubled to 1p. Earnings per share worked through at 4.68p, up from 3.86p last time.

The group said the shopfitting operation - which Sir Anthony described as Walker's fastest growing business - was held back as the cost of setting up a new manufacturing and warehousing facility in Teeside was absorbed.

About 70 per cent of turnover was now generated by the consumer products side, and the balance by engineering, he

Walker has moved out of engineering sub-contracting, income from which was inconsistent, while the manufacture of triple-deck car transporters and machinery for food drying, sewage disposal, water treat-ment and desalination, now takes place at a single site in



The company is also hoping to expand its consumer prod-ucts business in Europe, either by selling to the continent

1986 1987 1988

from existing sources in the UK, or acquiring a European distribution company.

Sir Anthony Jolliffe winces slightly at the description

"mini-conglomerate" which has inevitably been attached to Walker Greenbank's diverse collection of businesses. If the engineering operations are dis-posed of, he reasons, perhaps the conglomerate tag will go too. For the time being, however, engineering stays, and analysts seem untroubled by the nomenclature, forecasting £15.5m in the full year. No major acquisitions are expected and Sir Anthony says the group has put a ceiling of 30 per cent on gearing. But Walker is full of ideas on how to expand its consumer product activities through small bolt-on purchases and marketing ventures in the UK, in continental Europe, and even in Japan, where Western-style wallpaper, such as Walker's upmarket Zoffany range, is apparently gaining favour. The benefits of the new shopfitting facility should start to come through in the second half of this year, and the shares, up 3p to 117p, look reasonable value

on a prospective p/e of about

reflected the competitive busi-ness. The order book had since

strengthened and the division's

profit performance for the year was expected to "be much bet-

Rationalisation of the techn-

Acquisition and profit rise at D&B

DEAN & BOWES Group,

The acquisition is to be financed by the issue of 4.35m shares. Dean & Bowes will issue additional shares to raise

another £1.3m.

The acquisition of TFL extends the scope of Dean & Bowes' activities from its present work in pubs, clubs, discotheques and holiday centres.

TFL specialises in hotel interior design and refurthishment and also has contracts for conference centres and educational establishments. In the year to June 30, it made profits of 2648,000, after adjustments for directors' remuneration, on turnover of £7.42m. tion, on turnover of £7.42m. by the vendors and 170,000

Grampian Hldgs almost double

A significant advance in its pharmaceutical division helped Grampian Holdings

Grampian Retail.

for flotation

By Hugo Dixon

has set next Wednesday, October 12 as the "impact day" for the flotation of its Racal Telecom subsidiary, which includes Vodafone, the car

phone operation.

Racal had said it would sell

By Clay Harris

USM-quoted design and refur-bishment contractor, is to buy TFL Group Holdings, a contract furnishing operator, for

Dean & Bowes yesterday also announced a 60 per cent rise in pre-tax profits to £605,000 (£378,000) for the six months to June 30. The advance was achieved on turnover which more than doubled to £4.98m (£2.33m). Earnings per share rose to 5.35p, and the interim dividend is lifted

150p on the basis of four for every 11 already held.

ographics division reduced losses from £104,000 to £43,000. In the US Polymark

almost double group sales and profits in the six months to June 30.

dend is raised to 1.7p (1.25p). Pitlochry Knitwear, acquired in May, together with Moffat Woollens, form a new divisional holding company,

Racal sets date

Racal, UK electronics group,

CONTRACTS

£20m North Sea oil project

A contract, valued in excess of The integrated deck forms £20m, has been awarded to REDPATH OFFSHORE, part of the offshore and structural division of the Trafalgar House Group, by Hamilton Brothers Oil & Gas, operator for the Ravenspurn North Development partners.

The contract covers the fabrication, fit-out and full onshore commissioning of an integrated deck structure including process equipment, power generation and utilities and incorporating accommoda

tion for 46 men.

to 2p (1.5p).

The acquisition of TFL

Of the 5.23m shares to be issued, 2.35m will be retained will be taken up by directors. The balance will be offered to Dean & Bowes shareholders at

The pre-tax result at this Glasgow-based conglomerate surged from £1.64m to £3.18m on sales of £50.21m (£25.48m). Earnings rose to 5.94p (3.64p) and the interim divi-

the shares at between 1.55p and 1.85p, giving a capitalisa-tion of between £1.55bn and £1.85bn. It indicated earlier this week that it was now aiming to sell in the top half of that range. The final price will be set on Tuesday night. part of the Ravenspurn North Development which is located in block 43/26a of the North See's southern basin. The deck will be supported on a concrete gravity structure which will stand in 43 metres of water some 60 kilometres east of Hull. The deck is to be bridge linked to an adjacent wellhead platform and to a future gas

compression platform. The structure comprises three levels and incorporates a vent tower and an aluminium helideck. The overall deck dimensions are 80 metres long x 36 metres wide x 25 metres high and the structure, when complete will weigh approximately 6,250 tonnes.

Work on the contract has already commenced and the project is due for completion at the end of March 1990. The main assembly of the structure will take place at Redpath Offshore's Linthorpe Dinsdale facility on Teesside with com-ponents also being fabricated at its Port Clarence facility. Total numbers employed will peak at around 600 men.

West End offices development

WALTER LAWRENCE CONSTRUCTION, through its operating division Walter Lawrence City & Southern, has been awarded seven contracts with a total value of £9.35m. In office refurbishment for CCF of the company is stripping and replacing the finishes to the reception area for Antield Properties at a cost of £500,000 and is carrying out an office refurbishment for CCF of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping and replacing the finishes to the reception area for a contract of the company is stripping London. Walter Lawrence is constructing a four-storey office block and light industrial unit at 20-22 Bedfordbury, WC2. Designed by the Rolfe Judd Group Practice, the scheme will be stone and brick.

clad and will cost about £3.5m.

Group in the City of London

On behalf of Ravenseft Properties, Walter Lawrence is enclosing the shopping centre at Little Walk, Harlow, Essex with glazed roofing. Associated services with terrazzo paving will also be provided and the At United Kingdom House in

total cost of the work will be £2.3m. In Gravesend, Kent. sheltered housing accommodation is being constructed at a cost of £2.3m.

In Crawley, Sussex, for Pearl Assurance, the company is altering and refurbishing the roof and providing glazing to a retail building in Queen's Square at a cost of £600,000 and in Upton Road, Watford, Walter Lawrence is refurbishing an office development for Joy-helm at a cost of £250,000.

£7.7m batch for Mowlem Group

New business totalling £7.7m has been awarded to MOWLEM including over £6.5m of design and construct contracts. In Humberside a £1.6m project is underway for the Exxtor Group at Immingham. Work comprises a paper store and distribution depot. In South Yorkshire, work, valued at 2500,000, has started on Phase III of Goldthorpe Industrial Estate for English Estates.

On Teeside construction has started on the £1.4m Riverside Park project, comprising 31 industrial units, for Brighouse Taxinvest Developments, and a number of factory units are underway for English Estates

Among contracts on Tyne-side is further expansion work for J. Barbour and Sons, involving offices and warehouse, valued at £1m.

New business has also been awarded in the Midlands and Sonth East. At Ellistown, Leicestershire, work is in prog-ress on Hepworth's new brickworks. Mowlem Industrial is carrying out the design and construction for contractor Walter-Craven Ceramic Projects. At Finchampstead, Berkshire, an office and warehouse contract is being undertaken

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1987 1988 (12 months) (16 months) 50,961 68,647 4,652 8,688 Profit from operations 3,865 Profit before taxation

- Record results for the year ended 30 june 1988.
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GROWING FROM STRENGTH TO STRENGTH

Polymark up 59% to £881,000 until the group had achieved the level of profits necessary to POLYMARK International, The laundry division continued to raise market share in the UK, but the profit contribu-tion of £224,000 (£207,000) sustain dividend payments on

The French division recorded substantial growth in turnover and profits were £711,000 (£265,000). Demand for

laundry equipment continued to rise strongly and Raleigh France, the bicycle distributor

acquired in 1987, contributed

significantly to turnover. How-ever, Mr Weaver warned that

trading in the second half would be held back by the

usual third-quarter seasonal

Asset Trust. JGIT says its for-

both classes of shares.

laundry equipment, labelling systems and technographics group, increased profits by 59 per cent in the six months to June 30. The taxable result rose from: £553,000 to £881,000 on sales up from £15.03m to £17.04m. Earnings per 10p ordinary share rose 61 per cent to

2.75p. The interim dividend is being reinstated on the "A" shares, absorbing £154,000. Mr. Lan Weaver, chairman, said it was premature to resume pay-ments on the ordinary shares

Jersey Genl agreed bid for Asset Trust GENERAL Investment Trust, which ear-lier this year was taken over

ment company run by Mr Brian Banks The offer takes the form of a

by futures and options broker LIT Holdings, has announced a recommended £14.1m offer for Asset Trust, a fund manageat just over £14.1m.

Asset Trust, will become chair-man of JGFT in place of Mr mula asset value at end-Sep-tember was 565p a share and Michael Middlemas, who is also chief executive of LIT. that on this basis the offer values Asset Trust shares at 94p each and the whole company According to JGFT, this is an

Asset Trust has around £120m under management. In 1987 it made profits before tax of £304,000 after an £898,000 opportunity to expand existing exceptional item. Asset Trust fund management operations. directors, speaking for 10.7 per

Mr Banks will become an execcent of the shares, have given irrevocable undertakings to share swop — one Jersey Genutive director of JGIT while Sir eral share for every six in David Rowe-Ham, chairman of

Bouygues builds W Kent Water stake

on Tuesday, Mr John Stansby, SAUR (UK) chairman, said Bouygues intended to buy controlling interests in the

UK's 29 statutory water compa-Billam recovers J Billam continued its recovery

reported pre-tax profits of 232,309. In the same period last year, the group incurred a loss of 246,497, but ended the year. with profits of £11,889.

SAUE RIFE): We subsidiar year states, which work assinguide the nessman Mr Duncan Saville, Bollygues; the French construction and service company, has declared a 15.9 per cent stake in West Kent Water, join shared Trafalgar House's water stakes in two adjactions of company investments until water company. household products in aerosol ing a motley collection of company investments until cent water companies, Mid-Susform, is joining the Unlisted major shareholders in the statthis week — is likely to face sex and East Surrey.

gain control of West Kent. The company is 29.9 per cent owned by Associated Insurance

Pension Fund, an investment

vehicle for Australian busi-

in the first half of 1988. On By Vanessa Houlder turnover up 76 per cent to £2.19m, the Sheffield-based precision sheet metal engineer

Earnings per 10p share were 1.5p against losses of 2.35p and the interim dividend is set at 1.64p (1.6p).

tional Shellfish, Sterk and Olaf, Hazlewood subsidiaries. In 1987, Heiploeg made pre-tax profits of Fl 5.6m on turn-over of Fl 159m. It had assets of In keeping with Hazlewood's normal policy, the vendors will continue to manage the busi-

The company, which princi-pally produces shrimps for EC countries, will be added to the

ness on a day-to-day basis and have entered into a five-year service contract with Hazle-

15% to £1.04m Manor National, Manchester-based vehicle sales and leasing group, lifted pre-tax profits by 17 per cent, from £780,000 to £914,000, in the six months to Ivac 20 Norish, refrigerated food storage and frozen food distribntor based in County Monaghan in the Irish Republic, reported a 15 per cent rise in pre-tax profits from ISI.08m to ISI.22m -(SI.04m) in the six months to June 30.

months to June 30.

Turnover increased 20 per cent to £7m (£5.86m) and the tax charge rose to £250,000 (£185,000). Earnings per 20p share were up to 3.42p (£27p). The interim dividend is 3.2p. Mr Gerard Cashin, chairman, said that the food storage division had expanded into the UK but, due to reductions in EC aid, volumes and margins in the Irish operation had con-

Manor National up 17% midway

months to June 30.

Turnover increased 26 per cent to £35.49m (£28.16m) and the chairman said all the deal-

Some caution was needed for the second half given the recent rises in interest rates, he said, but the full year's result should be satisfactory. Earnings worked through at 4.1p (4.3p) per share, and, after an extraordinary £125,000 credit this time, at 4.8p.

Mecca spells out effects of £745m bid on earnings

By David Waller

were its £745m bid for Pleafor the level of earnings dilution for the combined group are considerably more optimistic than the calculations of many analysts and, more predictably, those of Pleasurama. Mecca provided a table of illus-

Mecca Leisure has spelt out from the 14.4p forecast for 1988, the likely effect on its earnings combined with synergy bene-

ergy benefits are 9 per cent, and, according to Mecca, there would actually be earnings enhancement of 1 per cent if synergy benefits amounted to 10 per cent.

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Contracting divisions. Secure basis established for profit contribution from the

Steve Morgan, Chairman

Hazlewood acquisition seafood businesses of Interna-

HAZLEWOOD FOODS, fast growing food manufactur-ing group, has continued its tradition of small bolt-on acquisitions with the purchase of a Dutch seafood company

Hazlewood Europe, the com-pany's Dutch subsidiary, has bought 90 per cent of Heiplocg Beheer for F1 30.6m in cash.

Norish improves

A further 10.82

the voting stock is held by Southern Water Authority, although the legality of the authority's purchase of water

company shares is in dispute.

erships had benefited from the continuing high level of the new vehicle market.

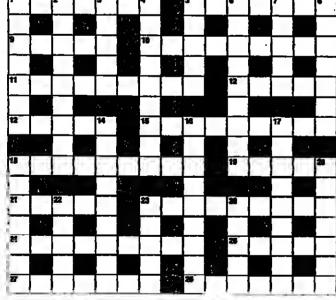
surama to succeed. Its claims In its final offer document, little as 1 per cent if Mecca's earnings climbed 10 per cent year of the mercar.

fits of 8 per cent of the combined group's pre-tax profits.
Dilution falls to nil if syn

Pleasurama dismissed the figures saying that the true fig-

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 1 Expert has second knocked off (7)
 5 Ask earnestly for beeches to be felled (7)
 9 It does not give much of a shock to the angler (5)
 10 Protection against damage done in Barking, say (4-5)
 11 Guard seen changing into overalls (9)
 12 Ropy sort of a show (5)
 13 Do these birds have hard lines? (5)
 15 Old scientist and the claims he made (9)
 18 State of talking-bird swallowing wrong notes (9)
 19 Theme of leading Olympic finalists (5)
 21 Just fitting (5)
 22 Where a countercharge is made for self-service (9)
 25 Pine cabin, perhaps, of some natives (4-5)
 26 Rod has changed to this paper (5)
 27 Maker of thestre cuts when

- paper (5) 27 Maker of theatre cuts when
- numbers are working (7)
 28 Sensitive type in an electrical circuit? (7)
 DOWN
- DOWN

 1 Slim, second one to ignore advice from Polonius (7)

 2 Discovery of a short musical composition (9)

 3 Insect that will provide grub
- (5) 4 Uncontrolled road-speed is

criminal (9)

- 5 Gatherings to see British
- paintings (5) 6 But it does not have a cube root! (5-4)
 7 Antelope in English estate
- (5) 8 Fell dead in retreat (7) 14 Much of its stock is boiled
- and bagged (9)
 16 Master of the Rolls? (9)
 17 Meaningful message given to worker (9)
 18 Game of which Elgin was
- champion? (7) Conservative leader and
- party-member gossip (7)
 22 Gone off to a port in Italy
- 22 Gone on the a post in sum,
 (5)
 23rustic fellow caught
 having a fling (5)
 24 Noted work of police corruption? (5)

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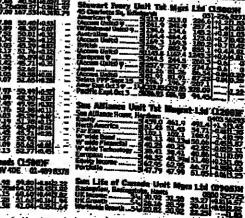
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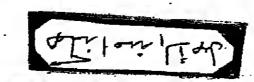
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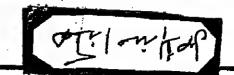


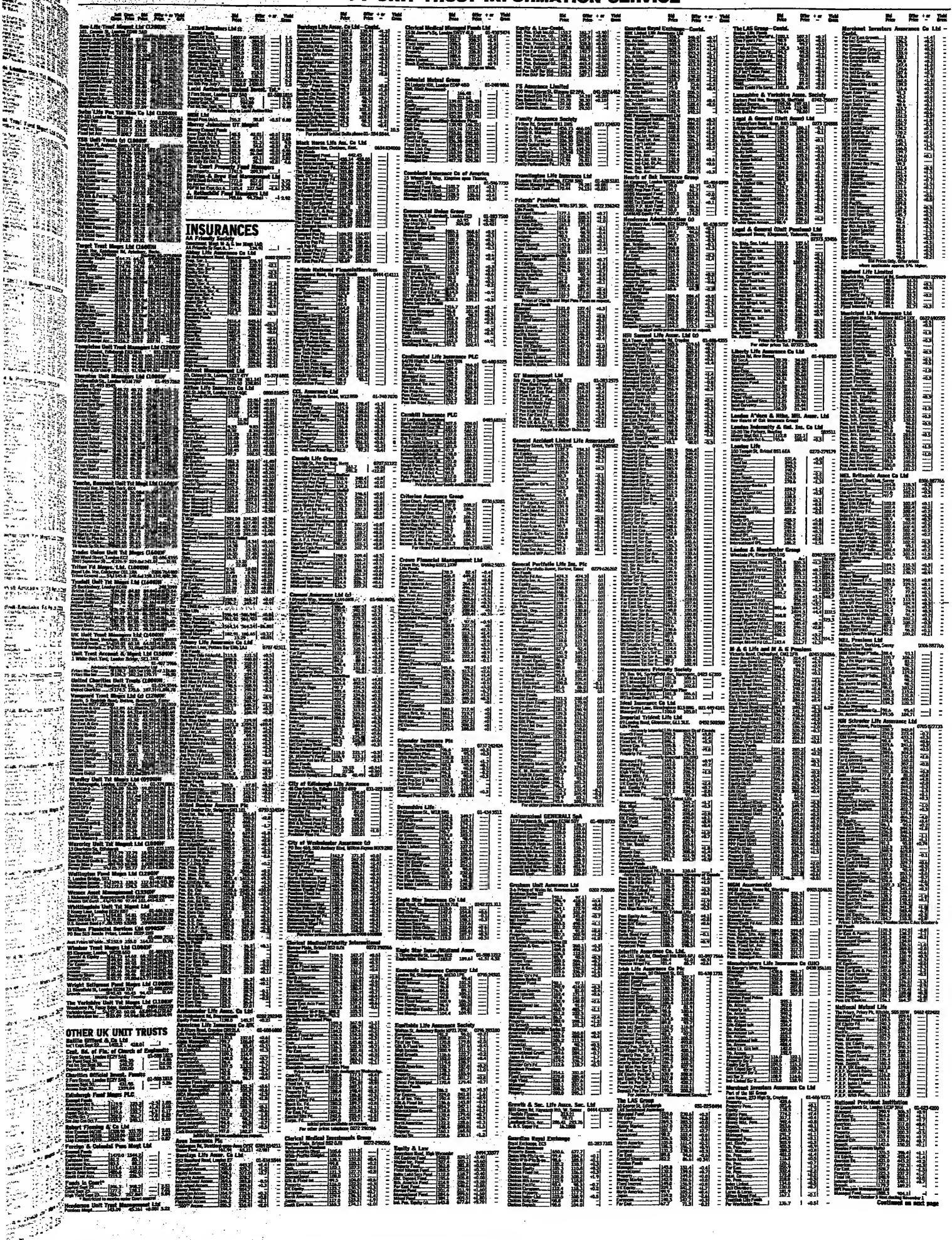
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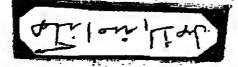
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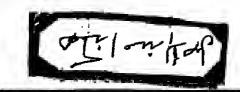
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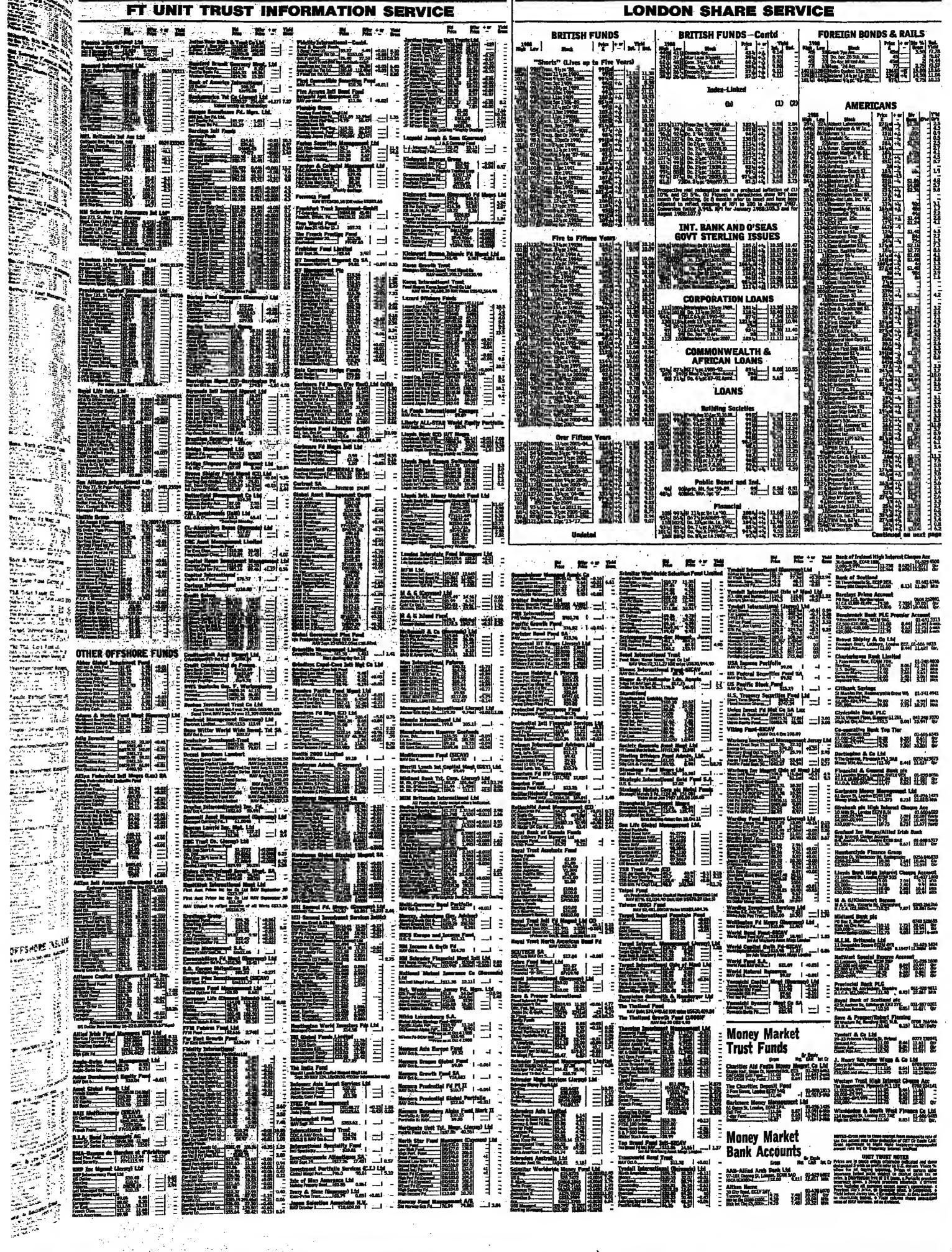




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Other price include 5% problem charge Consent State 115.4 1.2.2 1.2. | 1899.8 | 178.7 | 1898.8 | 178.7 | 178.7 | 178.7 | 189.8 | 178.7 | 189.8 | 178.7 | 189.8 | 178.7 | 189.8 | 189.7 | 189.8 | 189.7 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 189.8 | 18 Funding & Calendal Management Ltd. 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LONDON STOCK EXCHANGE

Stock shortage pushes equities ahead

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THE ADVANCE in London's equity market continued yes-terday although the domestic institutions retreated to the idelines again, leaving marketmakers to compete with one another for stock. BZW will cut dealing spreads and bargain sizes across the board today, indicating growing tensions in

the market. The day started with strong, if selective demand from the US, which featured pharmaceutical and banking stocks. BP shares improved as the market continued to take a fairly relaxed view of the UK ruling on the Kuwait Investment Office holding. Hefty turnover was seen again among store

Account	Dealing	Dates		
irel Dealings: Sep 19	Oct 5	Oct 17		
Sep 29	Oct 13	Oct 27		
et Dealings: Sep 30	Oct 14	Oct 28		
Count Day: Oct 10	Oct 24	Nov 7		
ow thre dealings may take place from				

shares which many analysts regard as oversold. The market opened 12 points up on the FT-SE scale "almost before a share was traded," to quote one international dealer.

However, the overhang of buying orders from both domestic and US institutions was soon completed and early

gains were largely eliminated. A later upswing, which took market indices to their best levels of the day, owed much to a frantic search for stock by marketmakers needing shares to meet Tuesday's sales to the The FT-SE Index closed 12.6

up at 1838.9, just below the day's peak. Activity in FT-SE Index futures encouraged equi-The index has put on 70 points over the past month, with this week bringing some genuine institutional buying as

distinct from the speculative excitement reignited by the latest bid moves Seaq-recorded volume, which takes in both customer and inter-market deals, remained high yesterday, when 573m shares traded compared with 570.8m in the previous session.
With stock now very short in
most of the leading blue chips,
genuine investment business
was buried beneath the deals between marketmakers. One leading investment house said that 54 per cent of its business yesterday consisted of sell orders, which indicates that some investors are cautious ahead of today's disclosure of

US employment data. The timing of the British Steel flotation for the second half of November was no great surprise, nor does its cash

total, at around 22.5hn, present any major problem for domes-tic institutions with cash balances currently at historic highs. At Warburg Securities, Mr John Graham commented that the strength of the US and Japanese steel industries could bring strong overseas demand for the British Steel placing, for which 30 per cent foreign participation has been targeted. With overseas holdings limited to 15 per cent, no parallel is seen with the troubled Knwait-BP situation.

Consolidated Gold Fields had an active session, closing little changed, however, following the latest moves in the battle with Minorco.

FINANCIAL TIMES STOCK INDICES (90/11/67) T8/1/75 1514.7 (16/7/87) (25/6/40) 162.7 754.7 43.5 (22/9) (16/2/83) (26/10/71). 312.5 Gold Mines Ord. Dt. Yield Earning Yid %(inii) P/E Ratio(Net(tx) SEAQ Bargatne(Sprii) Equity Turnover(Em)† Equity Bargains† Shares Traded (mi)† 24,721 loed Bargains 100.2 1367.24 Opening @18 am. @11 am. @12 pm. 1490:1 1479:3 1478:3 1472.5 01 pm. 02 pm. 1476.3 1477.1 1482.2 DAY'S HIGH 1483.2 DAY'S LOW 1471.5

TRADING VOLUME IN MAJOR STOCKS

Coal gets **Touche** flagship

The fate of TR Industrial & General Trust, flagship of the shrinking number of Touche Remnant investment trusts, has been sealed less than twenty four hours after the Department of Trade announced that the bid from British Coal Pension Funds (BCPF) would not be referred to the Monopolies and Mergers

BCPF announced victory following Wednesday's late raid on the market which netted sufficient shares to give it con-trol. The buying continued yesterday at the offer price of 129%p for each TRIG share, pushing turnover to a high level again at 72m, but not moving the price. The pension funds were able to increase the overall stake well beyond 60 per cent and declare the offer unconditional. It will remain open until at least October 12.

Re-investment of the prods resulting from sales of TRIG shares gave the trust sec-tor a shot in the arm. Numerinvestors tended to favour the well-established issues with portfolios heavily weighted towards UK equities.

Ultramar placed

Turpover in the new shares of Ultramar was significantly-boosted by the placing of the "rump" of the rights issue — 5.4m shares — at 245p a share. Ultramar shares have risen substantially during the past few weeks accompanied by stories that a stake-building operation has been carried out.

The old shares of the oil group finally closed 2 firmer at the "new" ended the same amount to the good at 253p after turnover of 11m.

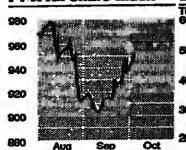
Sir Ron Brierley is known to have upped his stake in Ultra-mar to 14.1 per cent, while there have been rumours in the market that other parties have been accumulating stakes in the company. Premier Consolidated.

known to have a holding of at least 2 per cent in the com-pany, has been mentioned as a possible buyer of Ultramar shares, as has LASMO, cur-rently auctioning its 25 per cent-plus stake in Enterprise.

Racal Electronics shares surged ahead to close 5 higher at 310p on turnover much increased at 5.7m. Dealers reported another significant increase in interest in the shares from across the Atlan-

The US buying demand has

FT-A All-Share Index



apparently been triggered by the series of roadshows organised by the company's US

Talk in the market yesterday suggested that the flotation of Racal Telecommunications Group could raise as much as £350m if the RTG shares are sold at anything like the expected price which should be revealed next Wednesday. Speculation yesterday was that the stock would be offered

at 175p a share, at the top end of the 155p to 185p range for the share sale. The sale of the stock would realise around £350m for the Racal group. BZW yesterday upped its 1989 profits forecast

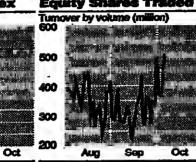
for Racal from £239m pre-tax to £280m pre-tax. The oil and gas market was again upset by worries over the crude oil market which was hit by stories that oil pro-

duction is currently at it high-est levels for eight years and that the Saudis could well contime to increase output until other OPEC producers come into line. The sector dipped back early in the session, additionally

worried by news of the Monopolies and Mergers Commission inquiry into petrol retailing, before steadying late in the day. BP, staging a strong run after the KIO/MMC inquiry news settled 31/2 higher at 242p, while the new were 4% better at 140%p: turnovers were 9.9m Enterprise Oil fell back to

624p but later rallied to close 8 down at 634p (turnover was 2.1m) with the market awaiting news of the sale of LASMO's 25% stake in the company. LASMO, initially sold down to 549p, rallied slightly to close Sovereign Oil & Gas posted

Equity Shares Traded Tumover by volume (million)



an outstanding gain, up 6% at 169p, still boosted by vague takeover speculation. Exploration Company of Louisiana remained in the limelight and closed 9 to the good at 121p on.

talk of imminent bullish explo-International stocks were lifted by overnight demand in New York and were generally

improved. Dealers reported a gradual shift in sentiment as institutions showed signs of returning to the market. Once again, Glaxo led the way, ending the day with a rise of 20 to 1105p. after 1109p. Turnover was a heavy 4.5m shares. Interest was stimulated by heavy Wall Street buying on Wednesday, said to have emanated from brokers Sanford Bernstein and Werthelm Securities. Dr Jonathon Gelles of Wertheim Securities in New York confirmed that, "We have been active this week and last week. This follows our recommendation at the end of August that clients should aggressively buy Glazo at around \$16 per share, based on fundamentals and on the expectation that the UK rating would improve after its results." London dealers agreed that there was a short-

age of stock helping the price Fisons enjoyed above average turnover (4.3m shares), but was described as dull and fell 2 to 255p. Beecham rose 61/4 to 470p in quietly firm trading. news of the Robert Fleming research report, but levelled out to close 5 better at 521p m

moderate turnover.

Hanson was well supported in the US for its rise of 3 to 149%p. Turnover was 10m shares, renewing speculation that news of an acquisition may be imminent. LIG faded 6 to 219p after Dunlop Pacific erased recent bld rumours.

Trading in the high street retailers remained at a high level as market sentiment tinct turn for the better. Despite the current uncertain outlook, several investment houses are starting to take a positive view of the sector in the wake of a long spell of underperformance.

However, by the end of the day, movements were usually small and mixed. Gus A, however, left out in

the previous day's general advance, were noteworthy for a rise of 17 at 1031p. Amid continuing bid speculation, Sears (133½p) were again the most actively traded stock (10m) in the sector. Next (179p) in a volume of some 6.3m shares were not too far behind.

The banks sector included a mumber of hig trading stocks -TSB jumped 2½ to 109p on turnover of more than 10m shares, with Salomon Brothers said to have been keen buyers of the stock.

Standard Chartered came under persistent small selling re and settled a net 7 off at 531p. Barclays were strongly supported and rose 4 to 421p with 1.6m shares traded, while Lloyds, where turnover expan-ded rapidly to some 5m shares, added 3 at 325p.

There was a slight stutter in

Royal Bank of Scotland where rumours of a rights issue held the shares around the 349p mark. The insurance market featured strong support for the composite sector,

Brewery stocks were patchy, with interest focusing on situa-tion stocks. Scottish & Newcastle rose 10% to 363p in turnover of 6.3m shares largely between dealers. There was some disagreement among traders as to what this signified, but on balance it appeared the market was chronically short of stock. Rumours of a European buyer were dis-

Bass was the other star performer, gaining 11 to 802p, although turnover was a modest 716,000 shares, much of it between marketmakers. Grand Metropolitan rose 8 to

group and from presentations to Edinburgh fund managers on Wednesday. In turnover of 2.1m the shares rose 12 to 463p. Television issues received a boost in their ratings after HTV reported good results and responded with a 23 rise to

248p.
The Building sector was featured by A. McAlpine which plummeted 65 to 299p as the company amounced that prof-

its for the full year will be significantly lower than those for

British Airways, a current favourite with a number of investment houses, were again actively traded. Some 5.5m shares changed hands before the price settled a shade easier on the day at 168p. Rank Organisation improved 9 to 718p; Shearson Lehman Hutton recommends an above average weighting in the shares which it says are undervalued.

Aurora came into the spotlight, racing ahead to close 22 higher at 140p as the company announced a bid approach from Australian National Industries. There was another good volume of business in Rolls-Royce (136p) in the wake of the engine design deal with Kawasaki Heavy Industries of

The walk-out at the Coventry assembly plant held Jaguar back and the close was unal-tered at 257p. Lucas industries was another to backtrack to 6p, but FR Group extended ednesday's rise to and 4 mp at 228p. Kitcat & Aitken favours FR for recovery prospects and urges investors to accumulate holdings while the the share price remains close to the 12month low point.

Property shares enjoyed a firm trading session, interest being being enlivened to a certain extent by a review of the sector from Kleinwort Benson. Among a handful of recommendations, British Land were outstanding at 354p, up 18, along with Brixton, 10 to the good at 345p, and Land Securis, a similar amount higher

Traders offered a variety of reasons for another surge in

P&O shares, up 16 at 585p. They ranged from views of ion-

of market underperformance, property attractions and a squeeze on marketmakers' short positions. Volume of less than Im shares suggested that the last-named was probably nearer the truth. Courtanids recovered for the

second session running, clos-ing 7 higher at 2930 after volume of 25m shares. Citicorp Scrimgeour Vickers visited the group's paint division recently and has trimmed profit fore-casts for both this year and next. The securities house warns of the risk of further underperformance, although the presence of the Kerry Packer stake could cause a speculative rally from around

ited downside and strong fun-

current levels. Illingworth Morris reacted further to 1940, still reflecting termination of the discussions with one of the interested parties, Allied Tex-tile, which may have led to an

Analysts awarded buy recommendations to Harrisons & Crosfield after Wednesday's sparkling interim figures, but the shares settled slightly lower at 658p. James Finlay went higher, although some researchers regard the stock a

Publicity given to specula-tion of further stakebuilding sparked off renewed activity, hut scant upward progress, in shares of Lonrho. The latest gossip is that Bond Corpora tion holds around 2 per cent of the shares. Activity in the Traded

Wednesday, 5th October

Options market remained at a relatively high level yesterday, totalling 40,061 contracts, comprising 27,053 calls and 13,008 puts. The business came against the background of the rise in the PT-SE 100 index, but again did little to qualify the gain. Turnover in the index consisted of 2,118 calls and 3,216 puts. It was noteable for a building up of open interest in the October 1900 calls, of almost 1,000 contracts, to 3,500, the market makers offered price in this series ending at 6p. Hanson, with 2,856 calls and 1,773 puts was the most actively traded individual

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■ Other market statistics, including FT-Actuaries Share Index and London

NEW HIGHS AND LOWS FOR 1988

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452p in turnover of 6.8m after a buyer of 500,000 shares lifted them off their low of 438p. There was less switching activity reported. Ladbroke benefited from a confident statement on the performance of its Hilton hotel

Quite, Alan. But you won't hear a single whimper from Commodore. Because we made certain of our long-term supplies of memory chips months and months ago. By planning ahead and foreseeing such little hitches, we now hold 40% of all independently produced chips in the world. What this means is that a Commodore PC will arrive

on time, whereas many competitors' PCs will not. Perhaps it's worth committing this number to memory... 0628 770088.



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APPOINTMENTS

Senior London insurance post

■ Marsh & McLennan Companies Inc is to centre its companies inc is to centre insinternational business in London under the control of a new company called MARSH & McLENNAN BOWRING. Mr. Philip J. Brown Jr, deputy chairman of the new company, has taken up residence in London. He is a managing director of Marsh & McLennan and has had extensive experience in all aspects of direct insurance broking in Europe and North and South

■ Mr Duncan Smith has become managing director of BROOKLINK and Mr Roshan Verghese managing director of CULVERLINE. Both companies are part of Egerton Trust's newly-established financial services division.

Mr Tim Wacher has been appointed joint managing director of GREYCOAT SHOPPING CENTRES. He was deputy director of property services at London Residuary

The BRITISH TEXTILE TECHNOLGY GROUP has made the following board appointments: Mr Harry Leach, chairman and chief executive, Dr Douglas N. Munro, deputy chief executive, Dr Alasdair Maclean, director of technology, Mr R.D. Lockwood, finance director, and Mr A. Lawless, company



Mr Philip J. Brown Jr, deputy chairman of Marsh & McLen-

secretary, Non-executive directors are: Mr A. Bens Mr D. Brunnschweiler, Mr J.N. Rinchcliffe, Mr B.J.Spencer, Dr P.V. Smith and Dr N.S.

 Ms Elizabethh Brimelow has been appointed an executive director of CHARTERHOUSE with specific responsibility for regulatory affairs. She was a director of County NatWest.

 H.P. BULMER has appointed. Sir Adam Butler as a non-executive director. Sir Adam was Minister for Industry from 1979-1961 and subsequently Minister of State in Northern Ireland and

m Mr Peter York has been made divisional managing director FAICLOUGH BUILDING's western division. He has also joined the board of Fairclough Building. Mr York was formerly managing director of Norwest Holst

■ PERRY GROUP, the diversified motor dealer, has appointed Mr Martin Lane as group finance director. He joins from Lex Service, where he has been financial controller since 1986.

■ KELT ENERGY has made M KELT ENERGY has made the following board appointments in its UK operating subsidiary, KELT UK: Dr Enan Cameron has become managing director in succession to Mr Rod Makin. Mr Paddy Spink, exploration manager, is made exploration director. Dr Rob Junes, operations manager, is operations manager, is appointed operations director.

Mr Brian Everard has been appointed managing director of GEOFFREY OSBORNE CIVIL ENGINEERING, the newly-formed civil engineering company of the Osborne

Mr Michael Hann managing director, will become executive chairman of CHARLES HAMMOND, the design and fabrics company, on October 20. He succeeds Mr H.E. Michael Barnes who is retiring. Mr Nigel J. Brooks formerly group operations and marketing director, is made

managing director and Mr A. Gary Thompson financial

Mr Brian Gilbert has become chief executive of the magazine publishing and exhibition interests of the MAXWELL COMMUNICATION CORPORATION. He was chief executive of United Trade Press Holdings.

FERRANTI

INTERNATIONAL SIGNAL has named Mr Phil Attenton as chairman of his two Scottish-based companies, Ferranti Defence Systems and Ferranti Industrial Electronics. Mr Ron Dunn succeeds Mr Atterton as managing director of Ferranti Defence Systems. Mr Atterton remains a director of Ferrauti International and a member of the Ferranti a member of the recramm executive committee and he takes on a special remit to assist Sir Derek Alun-Jones, the chairman and managing director of Ferranti International, in relation to Ferranti affairs in Scotland.

■ CABLE AND WIRELESS has appointed Mr John Davenport as chief executive officer of Cable & Wireless North America Inc. from October 10.

■ Lord Armstrong of Ilminster, Mr Jock Green-Armytage and Mr David de Rothschild have been appointed non-executive directors of N.M. ROTHSCHILD & SONS

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FOREIGN EXCHANGES

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A STATE OF THE STA

SE ACTIVITY

Attention turns to cross rates

280,000 to 300,000, compared

with 219,000 in August, and

unemployment is forecast to

fall to 5.5 p.c. or 5.4 p.c. from

5.6 p.c. The dollar is unlikely to

surge upwards however, because even if the figures are

THE DOLDAR remained locked data will be encouraging in a narrow trading range yes.

Non-farm payrolls, are expectedly, turning dealers attented to show a rise of about THE DOLDAR remained locked tion towards the cross rates. The Australian dollar was reported to be in demand, gaining support from a large buy-ing order for gold, and a rally

in the metal taking it back above \$400 an omice. The Spanish peseta is sup-ported by high interest rates,

franc and Japanese yen.
When the major central
banks acted in concert to sell

the dollar last Monday week they could hardly have believed they would be so eas-ily successful in establishing

no sign of threatening that level again. There is also strong technical resistance at around DML8550, which the market threatened to test ear-lier this week, but without any

The US currency is left in a narrow range. There has been no need for further central is underginned by a strong US economy, and forecasts that today's September employment

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	114	NE	40			
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Short	16984-1 0.54-0 146-1 4.40-4	6759 53pm 64pm 85pm	169	5-169 4-053 6-144 0-135	30: pin.
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CURRENCY RATES

Oct.6	Classic Calca Va	Special* Drawing Rights	European Currency Unit
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CURRENCY	-MOVEN	KENTS-
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1713-100 1-1111 11 11-11							
OTHE	R CURREN	ICTES					
Oct.6	. 4	\$-					
Argentina	20,3300 - 20,4600	12.0100 - 12.0900					
Australia	633.35-638.63	1,2530-1,2540 373,95-375,70					
Fieland	7.4320-7.4450	4.5900-4.5920					
Heen Kany	254.10 - 258.50 13.2270-13.2435	150.16-152.60 7.8120-7.8140					
Pract consumer	120.50°	70.50					
Korua(Sth)	1212 15-1221 85 0.4825-0.48955	715.20-721.00 0.28880-0.28890					
Leucophogra	66.10-66.20	39.00-39.10					
Malusia	4.5405-4.5000 3867.95-3883.60	2:6660-26890 2:8660-2292:00					
N. Zenkani	2,7585-2,7635	1,6205-1,6315					
Stomeore	5,3915-6,3960 3,4535-3,4570	3.7500 - 3.7510 2.0380 - 2.0400					
S.Af Com	12123-12235	2.4900-2.4915					
S. AF IFO	6,7090-6,846	3,9605-4.0405					

Three-month money was unchanged virtually throughout at 124-11# p.c. yesterday, but was offered at 12 p.c. in places in very late trading.
All rates between one-month and five-month were generally

ties have no intention of allowing a cut in bank base rates. On the other hand there only appears to be a risk of higher money supply, and trade fig-ures deteriorate.

The Bank of England forecast a money market shortage of around £500m, and provided

total help of £517m. Before lunch the authorities bought £37m bills, by way of £33m bank hills in band 1 at 11% p.c. and £4m bank hills in band 2 at 11# p.c.

strong they are will probably not result in higher US interest and also met with demand.

There were reports of cross trading involving the Spanish has accused Saudi Arabia of currency, and also buying of flooding the oil market special to be developing into a country way which as Iran said. quota war, which as Iran said-yesterday is forcing oil prices down to the benefit of indus-

trial countries.
This is calming earlier fears that rising inflation could turn ily successful in establishing economic recovery into a world currency stability.

The dollar was capped at inflation make it much less DMI.89, and has so far shown likely that the Federal Reserve no sign of threatening that will be sufficiently worried about overheating in the economy to put up interest rates.

The approaching US Presidential election also probably reduces the chances of tighter credit policy by the Fed in the next month or so.

The dollar improved slightly to DM1.8685 from DM1.8625, and to FFr6.8500 from FFr6.8450, but was unchanged at Y133.45 and at SF11.5830. According to the Bank of

England the dollar's exchange rate index was unchanged at 98.9. Sterling's index was unchanged at 75.8 throughout the day.

to FFr10.7525 from FFr10.7500.
September monthly averages against the dellar for the major currencies were: sterling 1.6843; D-Mark 1.8660; yen 134.36; Swiss franc 1.5754; and French franc 6.3484.

IMS I	EUROPE	AN CUR	REMCY (JRIT RA	TES .
	Ecu central rates	Cherency surctures: against Eco Oct.6	% change from central rate	% change adjusted for divergence	Dhergence .limit %
Colgian Pranc Denish Know German D-Mark French Pranc Omich Callate Irish Prant Italian Lita	42.682 7.85212 2.05653 6.90403 2.11943 0.76801 1483.58	43,4637 7,97946 2,87327 7,96257 2,33694 0,773436 1546,87	143 143 143 143 143 143 143 143 143 143	+0.95 +0.21 -0.70 +0.88 -0.62 -0.74 +3.34	±1.5344 ±1.5404 ±1.0961 ±1.3674 ±1.5072 ±1.6684 ±4.0752

Oct.6	Day's spensor	Cloie	(Inc ment)	12.	Three trouths	% p.2.
Simulation of the control of the con	1.6910 - 1.6960 2.0465 - 2.0530 3.554 - 1.564 65.95 - 66.25 12.12 - 2.154 1.1755 - 1.1805 28.46 - 280.46 200.05 - 200.95 200.05 - 200.95 200.0	16990 - 16940 20520 - 20520 31554 - 3156 64.10 - 66.20 12.144 - 12.154 11.765 - 11.775 29.46 - 36.46 204.65 - 204.95 204.65 - 204.95 204.65 - 204.95 204.65 - 204.95 205.55 - 205.95 205.55 - 205.95 205.95 -	0.59-0.50cpm 0.60-0.50cpm 20-2.20m 35-24cpm 55-44cpcm 0.90-0.00cpm 20-2.0cm 4-34cpm 4-34cpm 2-4-3cpm 2	4.07 2.05 7.16 5.17 4.88 4.69 7.84 0.86 2.29 0.86 2.29 0.86 2.29 0.86 2.20 0.86 2.20 0.86 2.20 0.86 2.20 0.86 2.20 0.86 2.20 0.86 2.20 0.86 0.86 0.86 0.86 0.86 0.86 0.86 0.8	1.44-1.39m 0.89-0.76pm 54-54pm 65-76pm 123-1.15pm 54-51ppm 44-138ee 9-0pm 13-4-4eft 11-10-4pm 44-33-4pm 44-33-5pm 34-31-5pm 54-54pm	3.51 4.69 4.00 4.00 4.00 4.00 1.00 1.00 1.00 1.00

Oct.6	Day's Meand	Close	(ine month	% R.a.	Three mostles	% p.e.
DIG	1.6910-1.6960	1.6930 - 1.6940	0.59-0.56cpm	4.07	1.44-1.39pm	334
beland	1.4385 - 1.4405	1695-1695	0.15-0.20cms	-L46	0,50-0,60ds	-1.53
Chands	1.2075-1.2125	12115 - 12125	0.19-0.22005	-2.03		-1.75
		2.2010 - 2.1020	0.56-0.54cpm	3.14	2,58-1.54pm	2.97
Belghan		39.00 - 39.10	5.00-3.00cpes	1.23	15.20-11.20nm	1.35
Dennark		717-7173	0.60-0.30arenu	0.75	1.40-1.10pm	0.70
W. Germany		1.8630 - 1.8640	0.59-0.56pfpm	3.71	1.59-1.55pm	3.37
Portogal		1534 - 1534	- 50-80cals	-5.09	150-225ds	-4.89
Spale	122 90 - 123 25	123.15 - 123.25	35-45cdis	3.91	115-125@c	-3.91
The second second		13894 - 1390	1.50-2.50 leads	1.73	6.70-8.78dis	-2.22
Morway		6.894 - 6.904	2.55-2.70 mills	4.77	8.00-8.20ds	-4.70
France		6.344 - 6.354	0.40-0.33qm	0.69	1.20-1.00pm	0.69
Service			1.10-1.20eredis	-2.16	3.00-3.250	-1.96
Japan	133.25-133.50	133.40 - 133.50	0.48-0.45ypm	4.1B	128-125pm	3.79
Suffred	13.08% - 13.10%	13.104 - 13.164	4.00-3.00gropm	. 324	1.90-1.8500	2.98
36006000	T2000-T2020	' T2053 - T2032	0.72-0.67cpm	. 30	T-M-T-Dahm	4.74

Jenneson J	T3000 - T30T3	1. T.3053 . T.3033	11/16-morchin	. 30	:
UK and Jedan	al are quoted in IIS	concers. Forestel are	क्रांकार अर्थ क्रेस्टर	ds apply t	o th
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EXCHANGE CROSS RATES										
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\$	0.590	1694	1155 1262	226.0 133.4	10,753 6.348	2.680 1.582	3.560 2.102	2353. 1309	2053 1,212	66.1 99.0
AEN	0.317 4.425	0.587 7.496	13.96	71.63 1000	3.408 47.58	0.9 77 11.86	1.128 15.75	745.8 10412	0.651 9.084	20.9 292
F Fz. S Fr.	0.930 0.373	1.575	2931 1177	210.2 84.33	10 4.012	2492 1	1311	21RE 878.0	1.909 0.766	6) 5 24.6
S FL	5.281 0.425	0.476 0.720	0.886	63.45 %.05	1321 4570	123	150	661.0 1000.	0.577	18.5 28.1
C S B Fr.	0.487 1.512	1.825 2.561	1.537 4.769	1111	5.238 16.24	1305	냋	鑑	3.104	32.2 100.

Yes per 1,000: French Fr. per 18: Ura per 1,000; Seiglan Fr. per 100.

FT LONDON INTERBANK FIXING

11.00 am. 0ct 63	3 months US dollars ·			6 months	US Dollars	
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i i i Li	LONDON MONEY RATES									
Oct.6	Oversight	7 days notice	Mosth	Timer Months	Six Months	One Year				
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Treasury Bills (self); one-month 11.B; per cent; three months 11.A; per cent; Bank Bills (self); one-month 11.b; per cent; three months 11.B; per cent; Treasury Bills; Average tender rate of discount 11.6009 p.c. ECED Fixed Rate Starling Export Fixance. Waite up day Sept. 30, 1988. Apreed rates for period Control Rates for period Control Rates for period Control Rates for period Sept. 1, 1988 to Sept. 30, 1988, Scheme IVAV: 12.234 p.c. Local Authority and Fixance Houses seven days' notice, others seven days' fixed. Fixance Houses Bare Rate 1.2 from October 1, 1988; have begoet Rates for some at seven days' fixed. Fixance Houses Bare Rate 1.2 from October 1, 1988; have begoet Rates for some at seven days' fixed. Fixance Houses Bare Rate 1.2 from October 1, 1988; here begoet Rates for some at seven days' fixed. Fixance Houses Bare Rate 1.2 from October 1, 1988; here begoet Rates for some at seven days' fixed. Fixance House fixed the seven days' fixed. Fixance House fixed the seven days' fixed. Proceedings of the fixed fixed

FINANCIAL FUTURES

Short sterling impresses

day. There is now seen to be strong support at 88.15, which

is regarded as a possible bot-

Dealers said the contract is still likely to be sold at around 88.30, until a new trading range

Gilt futures were regarded as

tom line for the contract.

is established.

THE PERFORMANCE of the short sterling contract on Liffs was considered encouraging by traders yesterday. It was suggested that the December contract may be set to break out of a trading range of 88.00 to 88.36, after holding above a

chart resistance point of 88.06. December short sterling closed at 88.15 on Wednesday,

The pound lost ¼ cent to \$1.6935, and eased to DM3.1550 from DM3.1600. It also fell to Y226.00 from Y226.25; to SFr2.6800 from SFr2.6850; and

LETTE LO	UFFE S				
Strike Price 90 92 94 98 100 112	Calis-sett Dac 623 425 233 103 18 4	iements Mar 459 505 323 200 63 33 18	Puts de Dec 1 3 11 46 160 346 543	Manuals \$ 15 23 110 201 343 528	Strike Price 82 84 85 85 90 91
Estimated Producer A	volume tota		368 Pats	683	Estimate

	11FFE 515 525,000 to	OPTIONS tasks per \$	<u> </u>		
	Ship. Priss 150 170 170 180 180	Calls-set: Ort: 1450 1450 450 66 1 5	Nov 1450 950 451 150 28 3	Pats-92 04 0 3 130 565 1064 1564	60 259 1112
Ì	Estimated Presions de	solume tot y's open in	L Calls of	Pats 0 7 Pats 43/	и

96-11 96-13 95-26 96-27 96-22 96-22

Close High Low Pres. 94-17 94-15 94-08 94-05

Est, Vol. (Inc., figs., aut shown) 15338 (11700) Previous day's upon int., 38714 (19201)

Estimated Volume 1527 (1441) Presions day's open for, 13362 (13266)

Est., Vol., (Inc., figs., net. shown) 4074 (2823) Previous day's open let., 28528 (28296)

Estimated Volume 3873 (SL75) Previous day's open int. 9926 (9751)

Estimated Volume 2107 (4921) Previous day's open lat. 4696 (4019)

POURD-S (FOREIGN TOXINGED)

I we of Sell Health-Bells-Bells

91.35 91.35 91.23

88-24 88-16

Close High Low Pres. 95.72 95.79 95.68 95.75 95.13 95.18 95.11 95.15

1-orth 3-orth 6-orth 12-orth 1.6877 1.6793 1.6672 1.6503

Latest High Low Pres. 1,6844 1,6844 1,6820 1,6832 1,6730 1,6730 1,6718 1,6722 1,6630 1,6630 1,6616 1,6622

Estimate Presions	i volume day's ope	total, C	ils o Par ils 47 Pa	s 0 ts 4244		Estin Presi	sated volumes day's	open lat.	Calls 380 Pu Calls 3300 P	ts 350 uts 4868		Entime Previou	ted votes as day's	ne total, spen lot.	Calls 159 Calls 169	50 Pats I 136 Pats I	48
PHELINE CST,254	LPHIA :	E ES O	THE						1.87490m £12,508	医 (1)\$ (casts)	OF THUS						
Strile Price 1600 1625 1650 1675 1,700 1,725 1,750 Presions	9.10 6.70 4.20 2.05 0.55 0.02 0.01 0.01 0.01	140 0.22 0.22 0.22 0.22 0.22 0.22 0.22 0.	9.10 6.96 5.01 3.43 2.23 1.45 0.89	Mar 9,49 7,67 4,61 4,64 3,50 2,57 1,95 Pais MA sts MA	0d 0.35 1.29 3.19 5.57	142 0.27 0.46 1.42 1.47 4.71 6.28	Dec 0.58 1.63 1.55 2.52 3.86 5.48 7.36	1.84 2.53 3.50 4.64 7.60 9.22	Sorthe Price 1.450 1.700 1.750 1.850 1.900 1.930 Estimate Previous	0ct 4,50 0,75 0,30 0,30 0,30 0,30 c volume day's, op	1,70 0,60 0,40 0,35	Dec 5.35 2.55 1.20 0.65 0.45 0.45 0.45 0.45 0.45 0.45 0.45	May 6,35 1,80 2,25 1,30 0,85 1,50 1,40 ats N/A Pets 195	02: 0.35 1.50 1.95 10.95 15.95	Puis-no New 0.95 2.90 6.70 11.45 16.35	200 425 7.75 12.10 14.85 27.50 17.60	1122
LOND	DN (L	IFFE)				CHI	CAGO										

	Trends
CHICA	:0
U.S. THEA \$100,000	SURY BORES (CET) 8%.
	Lutest High

Dec Mar Jon Sep Dec Mar	88-17 88-01 87-16	High 88-26 86-08	88-17 88-00 87-16	88
Sep		67-18		8
Dec	86-17	86-17	86-17	8
	-		-	8
Sep Dec Mar Jun	:	:	- :	85
Mar	:	-	•	8

Dec	Latest. 92.59	High 92.62	92.58
Mar Jus	92.64	82.45 82.45	92.54
Sep Dec Mar	92.38		92.38
Mar	•	•	-
Jan .	•	•	-

SWESS FI SFY 125,0	MANC (MIN) OG \$ per SFr		
Dec' Mar Jun	0.6383 0.6450	0.6384 0.6450	0.6379 0 0.6445 0
			:

LIFFE SHORT STEPLING

expensive. but traders noted

the December long gilt easily broke through technical resis-

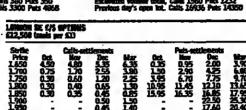
tance at 95-28, and rose to 96-11

at the close, boosted by several stop loss buying orders at around the 96-00 level. Recent intervention by the

Government broker to buy

stock has made traders cau-

tious of going short.



165 115 212 386 7.36	3.50 4.66 7.60 9.22	1.75 1.75 1.85 1.95 1.95 Estim	00 0.3 00 0.3 00 00 00 00 00	2 1,70 0 0,60 0 0,40 0 0,35 	2.55 1.20 0.65 0.45 0.50 0.45 alls N/A P	3.90 1.50 2.25 1.95 1.30 10.95 0.85 15.95 1.40 1.40 ets 195	2.90 6.70 11.45 16.35	7.75 12.10 14.85 22.50 17.40	9.7 13.6 17.9 25.3 20.4
ZASUI M 32	y bords	(CBT) 876			JAPAN VI2.5	S per Y204			
	B8-17 88-01 87-16	High 88-26 88-08 87-18	88-17 88-00 87-16	88-21 88-04 87-20 87-05	Dec Mar Jun Sep	0.7553 0.7520 0.7620	0.7555 0.7621	0.7550 0.7638 0.7635	0.75 0.75 0.77 0.77

	¥12.5m	per YZDO			
上京学科学科	Ger Mar Jun Sep	0.7553 0.7620 0.7695	0.7555 0.7621	0.7550 0.7618 0.7615	0.75 0.75 0.77 0.77
-26 -00 -19	BENTSCH 10125,0	E MARK COM BO S per DOI	•		
-19 -07	Dec Mar Jul	0.5408 0.5446	0.5466 0.5446	0.5404 0.5444	0.54 0.54 0.54
101	THREE-M Slav pain	OTH ENGO is of 190%	LLAR (IN	10	_
10.00	Dec Mar	latest 91.28 91.31	91.22 91.33	91.18 91.30	91 91

Dec	Latest 273.95	273.40	273.15	Pro 273.9
STARDAR \$500 time	0 & P000\$ 50 15 limber) DIVER		
	100			90.
Jan Sep Dec Mar Jan Sep	91.31 91.18 91.00 90.85 90.78 90.78	91.33 91.20 91.85 90.85 90.87 90.71	91.30 91.18 91.00 90.85 90.78 90.71	95555
£	91.18	91.20	91.18	31

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Bank Lesmi (UK)
Bank Credit & Course

HFC Bank ptc. Hambros Bank Heritable & Gez Ing Brik C. Hoare & Co. teoplay & Shangh ... Leopold Joseph & Sons ... Lights Bank 1.0 Meghraj Bank 1.0 MeGhonel Douglas Buk Middad Bank ... Mount Balley Corp. ...

United Mizzahi Bank United Mizzahi Bank Unity Trust Bank Pic Western Trust Westpac Bank Corp. Whiteautay Laidian • Members of British Merchant Banking & Securities Houses Association. * 7 day deposits 5.22% Savering 8.47%. Top Tref-Elly,0004-instant across 11.06% & Mortgage have rate. 5 Denand deposit, 7%. Mortgage 12.375% - 12.75%.

COMPANY NOTICES



PETROFINA

52 rue de l'Industrie - B-1040 Brussels R.C. Brussels No 227.957

Attribution of one bonus share for ten existing Petrofina shares

The Extraordinary General Meeting of the Shareholders of Petrofina held on September 28, 1988 has agreed to the Issue of 1,830,027 bonus shares of no nominal value, having, as of Jenuary 1, 1988, the same rights and benefits as the 18,300,279 existing shares, except for the special and preferential rights enjoyed by the 125,000 AFV-shares issued upon a resolution pessed by the Extraordinary General Meeting of June 3, 1982.

Listing of the new shares at the Bruseels, Antwerp, Paris, Amsterdam, Frankfurt, Basle, Lausanne and Zurich stock exchanges has been requested by the Company.

The attribution starts on October 6, 1988. From this date onwards, shareholders are entitled to exchange their rights for bonus shares, at the rate of ten of such rights, represented either by coupons No 2 of existing shares or by special forms delivered by the Company, for one bonus share, coupon No 3 and following attached.

The legal notice as prescribed by Belgian Company Law has been deposited at the Brussels Court Registry on October 5, 1988. The above transaction can be carried out at the following institutions:

United Kingdom Banque Balge Ltd., Bishopsgate 4, London EC2N 4AD.

all branch offices of Générale de Banque all branch offices of Banque Bruxelles Lambert all branch offices of Kradietbank all branch offices of Banque Paribas Beigique

Crédit du Nord, 6-8 Boulevard Haussmann, 75009 Paris
Banque Nationale de Paris, 16 Boulevard des Italiens, 75009 Paris.

The Grand Duchy of Luxembourg
Banque Générale du Luxembourg, 14 rue Aldringen and
27 avenue Monterey, Luxembourg
Banque Internationale à Luxembourg, 2 Boulevard Royel, Luxembourg.

The Natherlande

Amsterdam-Rotterdam Bank, Foppingadreef 22, 1102 BS - Amsterdam Algemene Bank Nederland, Amsterdam and Rotterdam Branches.

Commerzbank, Neue Meinzer Strasse 32-36, 6000 Frankfurt Deutsche Bank, Grosse Gallus Strasse 10-14, 6000 Frankfurt Dresdner Bank, Jürgen-Ponto Platz 1, 8000 Frankfurt

Credito Italiano, Piazza Cordusio, Milano

itzerfand Crédit Suisse, Paradepletz 8, 8001 Zurich Swiss Bank Corporation, Aescherworstadt 1, 4002 Basie Union Bank of Switzerland, Bahnhofstrasse 45, 8001 Zurich,

The Board of Directors

LEGAL NOTICES

BRADWAY FARMS LIMITED

responsed number: 1430035
Halten of business: Dairy Permera
Trade classification: O1.
Date of appointment of joint administrateonivers; 21 September 1988
Native of person appointing the joint admirative receivers; 31 pin

David John Stokes and David James Weterhouse John Administrative Receivers (Office holder numbers 300 and 455) Cork Gully, 22a The Ropewalls, Mellineters ald 57

SHOOTING

Two days excellent Grouse Shooting to let in the North of England for parties of eight guns in late October.

6434 712001

GLOBAL GOVERNMENT PLUS FUND LIMITED

International Depositary Receipts representing 100 Common Shares

Notice is hereby given to the shareholders that the Board of Directors of GLOBAL GOVERNMENT PLUS FUND LIMITED has declared a quarterly dividend of USD 0,21 per common share payable on 30th September 1988, to shareholders on the register at the close of business on 15th September 1988. The Board of Directors has also announced it has initiated the payment

of dividends on a monthly basis. Monthly dividends of USD 0,07 per common share will be payable on 31st October 1988, 30th November 1968 and 30th December 1988 to shareholders on the register on 15th October 1988, 15th November 1988 and 15th December 1988

Coupon numbers 2 to 5 of the International Depositary Receipts will therefore be payable in USO on the following dates and at the rates indicated below, net of the depositary's fee, at the following offices of MORGAN GUARANTY TRUST COMPANY OF NEW YORK:

BRUSSELS - 35 Avenue des Arts

IDR COUPON NUMBER

LONDON -- 1 Angel Court
FFRANGFURT -- 44-48 Mainzer Landstrasse
ZUFIICH -- 38 Stockerstrasse

RECORD DATE DIVIDEND PER IDR OF 100 SHARES (USD) PAYABLE DATE 15.09.88 7.10.88

20,75

15.10.88 7.11.88 15,11,88 7.12 88 8,75 MORGAN GUARANTY TRUST COMPANY OF NEW YORK

BRUSSELS OFFICE AS DEPOSITARY

ALUMINIUM

The Financial Times proposes to publish this survey on:

26th October 1988

For a full editorial synopsis and advertisement details, please contact:

> Anthony G. Hayes on 021-454-0922

or write to him at:

Financial Times George House George Road Edgbaston Birmingham B15 1PG

FINANCIALTIMES

Talwas 48.90 47.15 28.90 29.00 U.A.E. 62230 6.2245 3.6725 3.6735 **MONEY MARKETS**

Lack of incentive In the afternoon another 2349m bills were bills were purchased, through 2253m bank bills in band 1 at 11% p.c., and 283m bank bills in band 2 at 114 p.c. Late assistance of 2140m was also provided. LACK OF incentive in the

London money market has become very well illustrated by the interbank rate structure. Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £256m, with a rise in the note circulation

UK ofcaring hank base lending rate 12 per cink tross August 25 & 28

at 121-111 p.c., with six-month slightly lower at 12-11% p.c. This flat yield curve indi-cates the lack of fresh factors, and the belief that the authoriman Bundesbank left its credit policies unchanged at yester-day's council meeting. The dis-count rate remains at 3.5 p.c., rates if the bank lending,

Sterling's steady performance, with the exchange rate index unchanged all day, was another factor keeping the

In Rome the Bank of Italy held the third reverse securities repurchase tender of this week, when offering L1,000hn, against Treasury certificates.

The weighted average rate on yesterday's tender was 11.79 p.c., compared with 10.49 for the previous pact of 14,000bn

on Tuesday.

absorbing 250m, and bank bal-ances below target £145m. In New York the Federal Reserve added \$1.5bn of tempo-

rary reserves to the banking system, via customer repur-

chase agreements, when Federal funds were trading at 8%

In Frankfurt the West Ger-

and the Lombard emergency

money market was quiet, with call money unchanged at 4.75

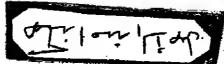
Trading on the Frankfurt

financing rate at 5 p.c.

MONEY RATES NEW YORK Bujley loter sale ... Fed freak Full-heak at interv 94.6 5.00-5.15 78-713 35-35 5.50-5.56 4.406.25 11-113 74-72 74-73 4,80.4.95 74-74 5.10-5.25 8-8% 5.00 7.00 7<u>1</u>-7<u>1</u>

LONDON SHARE SERVICE

40	LONDON SHARE SERVICE	FINANCIAL TIMES FRIDAY OCTOBER 7 1988
AMERICANS—Contd 1968 Steel Stee	ELECTRICALS — Contd 1908 Stock Price - W No Price - W No P	USTRIALS (Miscel.) — Contd INDUSTRIALS (Miscel.) — Contd:
1958.mell (Y. J.) 227 -1 15.0 3.7 3.2 11.	10 10 10 10 10 10 10 10	10 10 10 10 10 10 10 10
1256 836/Euro-Acta Capital Ltd. 1820 -	2 3 3 3 3 3 3 3 3 3	Prints P
2077 126/pWitterBacket Explan. 1956 - 1 -	115 30, Ealing Electric 56 188 4.15 1.5 1.4 3.4 6.5 27 27 28 27 27 27 27 27	Carbo 50
Sheet Shee	45 31# Feither Design 50. 44 481.7 - 5.7 11.9 179 171# 179 179 179 179 179 179 179 179 179 179	Comparer People 50. v 201
394 318Czter Allem SL. 8 328 +5 225 - 9.1 - 243 169Czaning (W.). 8 211 - 3.19 140 (1.75 Czatory v.) 2 15 - 6.0 2.9 3.7 12.4 209 165Czency (sti. 10.6 y 288 - 1 3.79 2.4 3.7 112.6 (1.85 czatory v.) 2 15 - 6.0 2.9 3.7 12.4 285Czalité Gross. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 15 - 5.3 285 296Czetze Bros. 9 328 - 9.8 2.9 4.0 11.5 (2.25 czatory v.) 2 12 - 5.3 24 2.0 5.4 2.4 11.5 (2.25 czatory v.) 2 12 - 5.4 2.4 2.5 2.4 2.5 2.4 2.4 2.2 2.5 2.4 2.4 2.2 2.5 2.4 2.2 2.5 2.4 2.4 2.2 2.5 2.4 2.2 2.5 2.4 2.2 2.5 2.4 2.2 2.5 2.4 2.2 2.5 2.4 2.2 2.5 2.4 2.4 2.2 2.5 2.4 2.4 2.2 2.5 2.4 2.2 2.5 2.4 2.4 2.2 2.5 2.4 2.2 2.5 2.4	141 116 stroad int' 100,	Danis Gedirey 1994 4 16.1 19.5 110 1 10 10 10 10 10 1
577 4510a. Sott. Bark 10p.y 46	293	Estern Front Styr. V
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RIDAY OCTOBER

RIALS (Miscel)_,

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A Section

FINANCIAL TIMES FRIDAY OCTOBER 7 1988 LONDON SHARE SERVICE LEISURE - Contd TEXTILES—Conto TRUSTS, FINANCE, LAND-Contd OIL AND GAS - Cente MINES—Contd ## CWGY 77.76

CWG ## Shallied London 10. # 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 124 | 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Stability returns to oil markets after declines

A DEGREE of stability returned to oil markets yester-day following the heavy price declines of the past two weeks. Prices were marginally higher through most of the day in European trading, although

they fell back later. North Sea Brent oil for October delivery finished the day unchanged at \$11.25 cents a barrel. At the New York Mercantile Exchange, November futures for West Texas inter-mediate crude were up 6 cents

at \$12.66 at midday.

Nymex said it would increase margin requirements by \$500 a contract from today. The margin for crude oil, heating oil, and gasoline futures contracts will be \$2,000 for clearing members and \$2,500

There was little news during the day to sway the price

pared with its quota of 2.4m b/

Loss of sheep premium 'inevitable', says Lords

BRITAIN'S LAMB producers losing out to New Zealand must accept as inevitable the phasing out of the variable sheep premium, provided for as a key element in the reforms of the European sheep-meat regime, the House of Lords Select Committee on the Europeau Communitiee

In its latest report, the Committee says that British sheepmeat producers will have to forego tha premium as an inevitable consequence both of the reforms, and of the move towards a single European

However, if the industry is to get full benefit from that mar-ket, it must improve the marketing and promotion of Brit-ish lamb, otherwise it will risk £10.80

There were reports, however, of growing concern within the Organisation of Petrolaum Exporting Countries over Saudi Arabia'e decision to raise

oil output to counter the quota violations of other members.

Iran launched a broadside against the Saudi change of policy and accused it of leading efforts to flood the market with oil. Iran'e exports briefly touched 3.4m barrels a day at the end of September, com-

Ecuador and Venezuela also expressed concern at the Saudi action.

By Bridget Bloom, Agriculture Correspondent

products at home, and Irish lamb in export markets. Britain is the only EC coun try to operate the variable sheep premium. It stemmed from the pre-1980 deficiency payment system and is paid weekly on lambs for slaughter to make up the difference between the market price and a guide price which varies according to the season. The EC Commission has pro-

posed that the variable pre-mium should be phased out over the next three years to be replaced by a general support

on ewes in 1992.

Review of the Sheepmeat
Regime. House of Lords 18th report session 1987-88. HMSO

Canadian coal exports rose 32% in first half

By David Owen in Toronto

CANADIAN COAL exports rose strongly in the first six months of this year because of strong demand from Pacific rim countries and various problems in other coalproducing countries

In all, first half exports were up 32 per cent from corresponding year-earlier levels at 16.1m tonnes, according to the Calgary-based Coal Association of Canada. Metallurgical grade material comprised the bulk — 14.1m tonnes — of this figure. However, thermal coal exports increased by 43 per cent to just

LONDON MARKETS

A CAC spokesman attributed the improvement to "exceptionally strong" demand and declining stockpiles. He added that Canadian pro-

out" for the remainder of the Canadian producers' share of the key Japanese metallurgical coal market is estimated at just over 25 per cent. The country produces some 8 per cent of

lurgical coal.
Almost 50 per cent of overall first half Canadian output of 34.9m tonnes was exported.

Industry urged to back zinc contract

THE LONDON Metal Exchange's new special high grade zinc contract needs greater industry involvement to increase liquidity and lessen potential problems with price distortion, according to Mr Raj Bagri, chairman of Metdist UK, a full ring trading member of the LME, reports

Mr Bagri, addressing the Metal Bulletin Lead/Zinc Conference, eaid he was encouraged by the number of smelters who had said they would use the new contract as a besis for prints. But it news a basis for pricing. But it now needed the miners to follow

with the support of all users of the market, SHG will work well," he said.

Since the LME introduced the special high grade contract on September 1 several Ruropean producers have said they will switch pricing of their sales from the European Producer Price, which is based on so-called good ordinary brand zinc, to the SHG price, while others have said they are considering it. sidering it. Traders have noted, how-

ever, that miners have been more reinctant to commit themselves, although MIM Holdings in Australia said on Wednesday that it enthusiasti-cally embraced the idea of shifting from the European Producer Price.

Smelters currently buy in concentrates according to a formula based on the EPP. This can lead to distortions when the EPP gets significantly out of line with the market price, as has happened increasingly in recent volatile market conditions.

Bridget Bloom on recent challenges to conventional wisdom about production levels "will have dropped from the highest level ever to the lowest T HAS become conven-tional wisdom over the

past few years that the world produces too much grain and that the huge cereal

eurpluses which have been built up in the rich industria-lised world are both costly and mnecessary. Farmers throughout the Farmers throughout the European Community are even now being wooed by their governments to accept payment for growing nothing on good arable land, while the prices they will receive for their wheat or maize at the farm gate have been steadily declining as part of a concerted EC effort to reduce production.

EC effort to reduce production. Yet in the last three weeks, three separate raports, published in Washington, Roma and London, challenge the assumption that the world is producing too much grain.
The most dramatic comes from the Worldwatch Institute, a Washington based research organisation whose director, and author of the report, Mr

ment of Agriculture. Mr Brown outlines the "precipitous decline" in world stocks of grain over the last two years. Reduced from 458m tonnes to 250m tonnes, it is estimated that grain stocks

Lester R. Brown, is a former senior official of the US Depart-

since the years immediately following World War IL." This amounts "to 54 days of consumption, less than the 57 days' supply at the end of 1972 when grain prices doubled."

Worldwatch believes that world food security could well be threatened, because the

be threatened, because the declining stocks must be set against the background of two against the background of two
alarming trends: the marked
decline in the growth of food
output over the last four years,
and the "warming of the
planet" which scientists
believe could produce more severe droughts such as that which has cut North American grain production this year by

between 25 and 40 per cent. The potential dangers of lower grain stock levels, if not Worldwatch's longer term judgments, are andorsed by reports from the UN Food and Agriculture Organisation in Roma and the International Wheat Council in London. In the September issue of its Outlook publication, the FAO says that the severe drought

this summer in North America will send cereal stocks below the minimum considered necessary to safeguard world food security. The carry-over of stocks from this present season

into 1988-89 would be 16 per cent of anticipated consump-tion for the following year, rather than the 17-18 per cent considered safe. "Global cereal output will need to increase by 220m tonnes or 13 per cent in 1989 to bring stocks back to this minimum safety level,"

Low grain stocks spark food security fears

the FAO believes. The International Wheat Council, in a report on the outlook for grain stocks issued at the end of last month, is more cautious though it accepts that consumption in 1988-89 "can take the second of the consumption of the consumption in 1988-89 "can be consumpted in 1988only be met by a substantial draw-down of stocks," which are forecast for wheat at 94m tonnes (27 per cent down on the previous year) and 120m tonnes for coarse grains (45 per

cent down).

All three reports agree that the principal reason for the declining grain stocks is the North American drought, though the Soviet harvest is also thought likely to be only 200m tonnes against an esti-mated 235m tonnes, partly due

to drought.
Worldwatch, however, also
noting recent droughts in China, charts a marked decline in the growth of grain production, particularly in populous countries like India, China and Mexico, once noted for their "green revolutions."

where production has levelled off since the early 1980s. While populations continue to increase in the developing world, Worldwatch questions whether production there can keep pace. It believes that there as well as in industrialised nations like the US, the huge increases in past produc-tion have partly been accom-plished by "over-ploughing and over-pumping," a process that is bound to slow down produc-

tion in future as land quality

declines.

If farmers had unlimited resources of soil and water they could easily meet the challenges before them, Mr Brown says. However, the reality is that they will begin the next decade with a cropland base that is no longer expending a searcity of fresh expanding, a scarcity of fresh water and no major new technologies. that will lead to the quantum jumps in world food output such as those associated with the spread of hybrid corn, the nine-fold increase in fertiliser use between 1950 and 1984 and the near-tripling of irrigated area during the same period."

planet which now seems worth institute underway the odds are probased set Avenue, bly against another severe Price \$4.

drought in North America next year. Were it to happen, however, "the world would face a

food emergency."

Meanwhile — in case European farmers might interpret these new warmings a potential green light to produce mere—
a more conventional view of the future was offered by Mr. John MacGregor, British Minister of Agriculture, earlier this week. Is the world cereal surplus a thing of the past and should we now be looking to

expand production to meet ris-ing demand? he asked in a speech to the UK Agricultural Supply Trade Association. Noting that even with higher world prices as a result of the US drought, the expert of wheat was still costing the EC £40 a tonne in subsidies, Mr MacGregor said he thought "such a reaction would be pre-

mature."

He added that events in the 1970s — when cereal shortages had driven prices and then proit "does not take long for a perceived shortage to turn into an actual surples." Worldwaich Paper 85. The

Worldwatch believes that Changing Food Prospect. The even with the warming of the Nineties and Beyond. Worldwatch Institute, 1776 Massaci

Feed shortage may hinder Chinese livestock expansion plans

By Nancy Dunne in Washington

CHINA'S AMERITOUS plan to increase supplies of meat, poultry and dairy products may be bindered by its insufficient and expensive feed grain supplies, according to the US Department of Agriculture. With American farm organisations and the USDA increas-

ing their contacts with Chinese agricultural planners, the department is keeping a close watch on developments. China's 7th five year plan (1986-1990) calls for increasing the production of meat to 22.75m tonnes, up 18 per cent

planned to increase by nearly 24 per cent by 1992 from the 1987 level of 2.1m tonnes. However, USDA analysts believe that feed grain imports will be limited in the next two to three years by high input prices and by China's mability

Poultry production is to earn aufficient foreign feed production in 1990 is 50m exchange to pay for them. Large centralised state pig and poultry operations with adjoining feed mills are not expected to have as much trouble as the small mills which need compound feeds.

China's goal for compound

per cent.

mature vine successfully.

the hand-pollination system

claim impressive results which

justify the NZ\$20,000 outlay at present needed to buy the

patented pollen aid package. One prominent grower says hand-pollination boosted his feed production in 1990 is 50m tonnes, but the USDA says many local experts feel that objective is too high. Given the current outlook for grain and soyabean prices, analysts say a more realistic figure for 1990. might be in the range of 35m to

Spray pollination of kiwi fruit puts honey bees out of a job

Dai Hayward describes how the march of science is helping New Zealand growers to boost their crops

house bee is being retired from New Zealand's kiwi fruit orchards as science and technology take over the job of pollinating the female kiwi fruit flower. Growers are replacing the bees with hand-held pollination sprays, which are said to do the job better.

Only the female kiwi fruit vine bears fruit — and only after being pollimated with polducers were "virtually sold len from the male vine. Every season millions of bees are set to work in the orchards to perundertake reluctantly and with varying degrees of success. Reinciantly, because the kiwi internationally-traded metalfruit flower does not provide.

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are on hand to transfer the pollen from male to female flowers during tha three weeks' pollination period, growers hire beehives to be placed strategically throughout their orchard. Last season, each hive cost New Zealand growers NZ\$90 (£36) and the average orchard could require up to 15 hives.

However, even the industri-ous honey bee will not work too long without reward. After three or four days, finding no nectar flowing into the hive, the community sends out scouts to search for sweetertasting, more rewarding flowers. To ensure that the bees do

not desert the kiwi fruit nectar — the objective and desire of every foraging bee.

To ensure that plenty of bees pollinated, orchard owners stagger the placing of the hives during the three-week season. To induce them to stay a little longer before deserting the kiwi fruit, some place pans of sugared water covered by sack-

ing among their vines.
Without adequate pollination of the female vine, its fruit will be underweight and under-

There are more than 200m grains in just one gram of pollen. Each grain must have exactly the right conditions if it is to remain effective during. the pollination period.

grains of pollen transferred by the bees from the male to female flower which decides individual fruit – and it is the number of seeds which determines the final weight

Both are of vital importance to growers exporting to world markets. Fighting increased competition from other countries which have devel-oped kiwi fruit industries, New Zealand, which was the first to produce the delicious green pulpy fruit, has set extremely high standards of quality for

its export fruit.

A New Zealand agricultural scientist, Dr Murray Hopping, spent a long time studying how. the efforts of the bees could be improved. He finally developed altogether. This involves pollimating each female flower by means of a hand-spray. The pollen is collected by

band, and transferred to a spe-cial solution. The mixture is carried between the rows of

export crop by more than 12,000 trays to \$8,000 trays last vines in a tractor-drawn tank, which moves ahead of the sprayers. They push the nozzle of their hand-pumps into the opening of each female flower. Spray pollination enthusi-It is claimed that hand-spray

spray pointation entuals asts expect that eventually supplies of pollen will be available commercially, thus freeing individual growers from the time consuming chore of collective the band of the collective the band. pollination improves the qual-ity and quantity of export fruit from an orchard by up to 25 of collecting it by hand. Spray-pollination ensures The government run agriculthat a larger proportion of the female flowers in the orchard tural research centre has already planted an all-male receive an adequate amount of orchard, which will provide about a tonne of pollen for hand spray pollination next male pollen. It takes about 1 gram of pollen to pollinate a

> bee, which has worked hard to little real reward in the development of New Zealand's kiwi fruit industry, may soon be allowed to seek sweeter pastures.

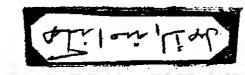
WORLD COMMODITIES PRICES

GOLD bullion closed a	\$ \$403.25 a	n		Close	Previous	High/Low
ounce yesterday - the			Dec	769	764	786 760
above the \$400 level fo			Mar	782	777	788 774
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encouraging short-cov			price fo	r Oct & I	63.88 (937.	is per tonne). 33) :10 day av
attracting additional be	ying. Plati	aum	for Oct	6: 931.44	(931.18) .	
and sliver prices also	rose. On th	10				
LME copper prices ad			COPPE	E E/Nonne		
sentiment has been m		red by		Close	Previous	High/Low
the gains on Comex, v			Nov	1770	1185	1187 1163
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resistance as warehou			Mar May	1160 1160	1168 1165	1175 1156 1163 1150
decilns, traders said.			Jly	1149	1165	1164 1185
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Papua New Guinea, re	duced out	rut	Nov	1149	1160	
from Zambia and the t					3703) lots o	
Peruvian miners' strik	e uext mee	K ST20	ICCO II	idicator p	rices (US o	ents per pour
helped the advance.			OGF 5:	114.83 (114 840	(115.32); . 1
SPOT MARKETS						
Crude oil (per barrel FOB)		+ or -	SUGAL	t (\$ per to	nne)	
Dubal	\$9.05-9.20z	~055	Rew	Close	Previous	High/Low
Brent Slend W.T.I. (1 pm est)	\$11.22-11.26 \$12.65-2.66z	+0.15	Dec	219.00	217.60	220,40 218,00
	41200-2002	1 4.10	Mar	212.20	213.80	218.20 211.50
Oil products (NWE prompt delivery per	tonne CIE		May Aug	209.60 207.80	210.60 209.40	213.00 211.00
freez brombe comen's be-	William City	+ or -	Oct	205.60	208.00	209.00 204.60
Premium Gesotine	\$158-159	-6	White	Close	Previous	High/Low
Gas Of	\$103-104	+1	Dec	251.00	249.00	250.00
Heavy Fuel Oil Naphtha	\$51-53 \$115-116	+3 -1	Mar	245.50	245.00	248.00 245.00
Petroleum Argus Estimates			May	246.00	246.00	248.00 248.00
Other		+ or -	Aug Oct	246.50 245.00	247.50 246.50	247.50 247.00
	C-100 OF		Dec	245.00	246.00	E-11-20-20-11-11-1
Gold (per troy oz) 4 Silver (per troy oz) 4	\$403.25 632c	+7.25 + 13	Mer	245.50	246.00	248.00 245.00
Platinum (per troy oz)	\$513.75	+ 6.53				lots of 50 to
Palladium (per troy 02)	\$120.25	+ 1.25	White 1	931 (1486	<u>. </u>	
Aluminium (free market)	\$2295	+40	1555. M	WINES (1-1 lay 1558.	Aug 1570. (ne): Dec 1650 Oct 1570, Dec
Copper (US Producer)	12458-1290	+1				
Leed (US Producer) Nickel (free market)	39c 630c	+30	OAS O	L \$/tonne		
Tin (European free market)	£4255	-10		Close	Previous	High/Low
Tin (Kuele Lumpur merket) Tin (New York)	19.37					
Zine (Euro. Pred. Price)	337.50 \$1350.0		Oct Nov	105.60	102.00 104.25	105.75 102.00
Zinc (US Prime Western)	69%c		Dec	107.75	106.25	110.75 107.00
Cattle (live weight)†	109.60p	+0.45	Jan	108.00	107.75	112.00 108.70
Sheep (dead weight)†	149.14p	+6.82*	Feb	100.00	106.00	110.50 110.00 107.50
Pigs (live weight)†	74.83p	+3.63*	Mar Apr	107.00 107.00	108.00	108.00 107.00
London daily sugar (raw)	\$251.8x	+4.2			105460 Into	of 100 tennes
London daily sugar (white) Tate and Lyle export price	\$260.0x £257.6	+7.6 +2.5	(6)			-:
Barley (English feed)	£108.5	+0.5	GRANIS	£/tonne		
Maize (US No. 3 yellow)	£108.5	TU.0		Close	Previous	High/Low
Wheat (US Dark Northern)	£124.25z	+ 0.50	Wheat			
Rubber (spot)♥		+0.50	Nov	107.30	107.50 110.65	107.30 107.05 110.85 170.25
Rubber (Nov)	66.25p	+0.50	- Jan Mer	110.45 113.50	113.90	113.65 113.50
Rubber (spot)♥ Rubber (Nov)♥ Rubber (Dec) ♥ Rubber (KL RSS No 1 Nov)	66.75p	+ 0.50	May	110.50	116.65	116.30 116.25
		+1.0	Jun	117.50	118,00	117.50 102.25
Coconut oil (Philippines)\$	\$580x		Sep Nov	102.25 103.00	102.25	105.00
Paim Oil (Malaysian)§	\$427.5x		- TOUT	Mark		

Nov Jan Mar May Sep Nov

	CHUSE		PICTACOS	LUCHBLEDI	AM CHIC	- NOTO C		Ope	II LINOTOS
Alumba	um, 99.77	6 parity (\$ per tonne)			Film	turne	over 5	.525 toru
Cesh	2265		2230-40	000-100-1	2280-00				20 (
mont			2175-8 per tonne)	2237/2210	2225-6	2235-40		_	00 lots
Cent	1325	_	1270-80	1320	1320-2	esing	шпк	HOT 2	,175 ton
21st De			1240-00	1202/1285		1295-90	0	34,17	71 lots
	, Grada A					Ring	turno	rer 36	,350 toru
Cash 3 mond	1585 1495		1532-4 1461-2	1505/1502 1490/1482		1467-96		63,7	17 lots
Copper	, Standard	(2 per t					Ring t	RILLION	er 0 tons
Cash S mont	1585- 1478-		1615-25 1445-55		1530-40 1470-80			35 10	ats .
	US conta/						Films	turne	over 0 oz
Cash 3 monti	627-0 hs 640-2		613-6 626-0		627-8 640-1			439 1	lots
_	per tonne	1)				Ring	turno	wer 7,	,425 tonn
Cash I monti	379-8 12 377-8	٠. ١	377.5-8.5 374-4.5	379/376 382/376	377.5-8.5 376-7	377-8		9,830	lots
Militel (S per tons	10)				Att	ig tur	nover	900 tonn
Cash 3 monti	11100 ne 9950-		11050-150 9850-900	11100 10200/967	11400-600 7 10150-250		150	6,045	lots
	per tonne					Ring	turno	ver 7,	750 tonn
Ceek B monti	1380- 1298-		1345-80 1276-7	1870 1800/1252	1370-5 . 1288-90	1228-5		17,17	5 lots
				,					
POTATO	DES £/100	ne			LONDON BU	LLIQH MAIN	ŒĨ	_	
	Close	Previou	a High/Low		Gold (tine oz)	\$ price	£	equiv	alent
lov Seb	58.0 71.0	57.6 70.0	57.5 57.0	,	Close	403-403 2		8-238	
\pr	06.0	93.2	96.0 93,0		Opening Morning fix	400%-401%		7.856	
May Nov	106.0 85.0	103.7 85.0	105.0 104.0	1	Afternoon the	403.75		6.271	
			60 tonnes.		Day's high Day's low	404%-405% 400 ³ 2-401			
	ZAN MEA								
	Cicse	Previou			Colos	\$ price	2	equiv	alent
ct	165.00	181.00	180.00 .		Mapholosi	415-420	24	5-248	
eb eb	182.00 185.50	186.00 189.00	186.50 182. 189.00 106.		Britannia US Eagle	415-420 415-420		15-246 15-248	
pr	186.50	189.50	186.00		Angel . Krugerrand	412-417 402 ¹ 2-405 ¹ 2	24	5-248 7 ¹ 2-2	103-
	r 188 (64) T FUTURE				New Sov. Old Sov.	95-96 95-96	56	-58%	
	Close	Previou			Noble Plat	90-60 527.85-534.05		1.4-51	5.35
)ct	1347	1345	1360 1340						
lov en	1409 1448	1413 1441	1419 1400 1455 1435		Silver tix	p/fine oz	LE	S cts.	easiv
pr bi	1500 1305	1485 1298	1502 1490 1505		Spot	373.16	65	2.30	
FI	1291	1263			3 months 0 months	384.30 395.50		16.80 59.80	
UTTOVE	250 (376		·		12 months	416.45		7.76	
PRUST	AND V	OUTABL							
COX.P I	رم pples 45-	eritikul, w 56p & ib.	ith homegrown williams pears	: 1					•
trom it	mly 30-66p	and ora	williams pears nges 8-25p eac 3. Lemons 12-1	Je do					
and No	w Zeelen	d klwlfrui	t 14-24p are al		LONDON MET/	L D(CHANG	1784	DED (WT1044
utana is	icressed i	fifs week	of pomegranus from Spein ac		Alambian (DS.		alla	_	Puts
taraşi 4	40-70p.(50	-80p). Ho	megrown with the top b	1 3	Etrike price \$		Jan	Nov	
CEURIN	rwers 25-6	Op, prim	cabbage 14-2	Sp.	2150	171	196	27	112
			labrese 40-80p. Sp (18-30p) and		2250 2350	106 . 68	147	60	161
Sweets	om stay 2	0-30p a c	ob. British rou	ma .		. 00	107	112	220
Cucum	Ders 50-60	to and so	nd iceberg 40-7 ring onlone 20	⊶iòo i d	Copper (Grade	A) ^	lis		
T Druid	n. Homous	re journe	es are 30-52p and the first o		X400	<u>~ 256</u>	179		100
openia	crop are	n et 45-5		' me 2	2560 2700	148	114	20 60	132 . 214
					erulli	72	70		315

	ARK	ETS		CRU		ght) 42,000		/berrel	_ CI	lica	go _		
E META	L market	a shower	d no		- Latest				SOY	DEARS !	5,000 bu min	conta/60	b bushel
nificant :	features	except th	at trading	Nov	12.76	12.60 ~ 12.46	12.68	12.65 12.50		Close			
	e crude i			Jan	12.50	12.40	.12.66	12.32	Nov	612/6	823/0	815/0	
	nham La Kiere wei		rices were	Feb	12.63	12.67	12.75	12.43	Jen	822/6	832/4	824/4	813/4
			preared to	Apr	12.73	12.73	12.00	12.64	Mer	. 829/0	838/6	. 881/0	820/0
			vancing 250	May	12.81	12.81	12.01	12.74	May	826/0	834/0 826/0	826/4	817/4 610/0
	de and te			Jul Aug	12.95	12.97	13.00	12.95	Aug	805/0	813/0	805/2	20000
g with	commiss	ion hous	e short						Sep Nov	750/0	- 756/0 721/4	756/0	750/0
	rced pric			THEA		2,000 US g						725/0	717/0
	ota, wa c		t no	_	Latest	Previous	High/Lot	V	8012		L 60,000 fbs		- Zy**
	rost and es. Soyb		10 on	Nov	3765 3635	3776	3526 3890	3726 3790		Clode	Previous	High/L	OW .
			s.Com was	Jan	3886	3897	3840	3880	Dec	24.45		24.45	23.60
			be seen.	Feb	3870 .	3858	3940	3860 .	Jen	24.95	24.82 24.62	25.00	24.01
	cuying in			Mar	3740° 3620	3740	3785 3660	3710	Mar	25.70	26.25	25.70	24.75
			kets were	May	3530	3543	3570	3520	May Jul	26.00	25.55 26.75	26.00	25.20
			th prices	Jun	3465	3493	3530	. 3465	Aug	26.05	25.00	26.20 26.10	25.50 25.50
ining c	down. In	the softs,	trading	Aug	3485 3560	3498	3530	3486 3580	Sep	26.20	25.75	26.20	25.55
e trade	antered	the mer	p over 100 ket. Cocoa	_		es,\$/tonner			- SOYA	REAN M	EAL 100 tone	, \$/ton	
			nmission		Close.	Previous	High/Lov			Close	Previous		
short	t covering	tilite ei g	taking '	-					- Oct	262.0	287.0	283.5	200.0
. Suga	er lost 7 v	with most	ly local	Dec	1239 1234	1225	1260	1206 1208	Dec	261.7	206.0	264.0	290.6
ty. In c	cotton tra	iding awi	tch sotivity	May	1257	1249	1268 .	1228	Jan	269.5	264.0	. 202.0	257.5
oaturo	ed as the	October	is due to	Jul	1275	1275	1285	1253 -	May	255.2	260.7 265.0	258.0 . 263.0	264.0
e. in th	re crude	oli merk	et, trading	Sep .	1335	1385	1310 1328	1275	dul .	240.0	245.7	247.0	203.5
eba 118	correction	use prev	lous day	Mer	1363	1355	1349	1349	Aug	236.0	240.3	240.0	220.0
		1125 00		COFF	EE "C" 37	,500lbs; cer	nts/lbs				230.0	231.0	228.5
		••			Close	Previous	High/Low				I IRka: cente/		
			•	Dec	124,89	123.23	124.75	723.30		Close	Previous	,	
44	fork			Mar	125.38	124.72	125.80	124,75	Dec '	298/0 301/0	293/4 . 297/6	296/4	29170
100 hrs	oz.; \$/troy	100		May	125.30 125.25	124.80	125.30 125.10	124.80 124.75	May	301/4	298/4	301 <i>1</i> 2 301/6	295/2
Close				500	124.25	123.66	0	0.	Jul -	297/4	296/4	296/0	205/0
403.8	Previou			Dec	124.00	124.00	0	. 0	Sep Dec	273/2	272/0 258/0	274/4	250/0
405.7	400.8 402.9	404.2 0	·402.8 .			~11" 112,0	M Bre		Mar	264/4	264/8	0	0
408.0	405.3	409.4	408.5		Close	Previous							77
413.2 418.4	410.4 415.5	414.2 419.0	411.7 417.2	Jan	9.11		High/Low		WHEA	T 5,000 b	u min; cents	Mally bush	ol, - :
			422.3			074						- Line Post	
423.7	420.7	424.0		Mer	9.35	9.21 9.45	0.50 9.57	0.50 9.83		Close	Previous	High/Le	, w
423.7 429.2 434.6	426.1	424.0	0	May .	9.35 9.22	9.45 9.29	9.57 9.38	9.23 9.10	Dec	Close 432/6	Previous 426/2		423/0
429.2		424.0	0 0 439.1		9.35	9.45 9.29 9.21	9.57 9.38 9.29	9.23 9.10 9.10	Dec	432/6 437/4	Previous 426/2 431/6	High/Lc 433/4 436/0	423/0 428/4
429.2 434.6 440.2	428.1 431.7	424.0 0 0 440.8	0 -	May -	9.35 9.22 9.10 9.00 8.25	9.45 9.29 9.21 9.06 3.18	9.57 9.36 9.29 9.21	9.23 9.10	Dec Mar May Jul	Close 432/6	Previous 426/2 431/6 406/4	##gh/Lc 433/4 436/0 411/0	423/0 428/4 406/0
429.2 434.6 440.2	428.1 431.7 437.1	424.0 0 0 440.8	0 0 439.1	May Jul Oct Jan Mar	9.35 9.22 9.10 9.00 8.25 6.70	9.45 9.29 9.21 9.08 8.18 8.95	9.57 9.38 9.29	9.23 9.10 9.10 8.94	Dec Mar May Jul Sep	432/6 437/4 410/2 371/6 374/4	Previous 426/2 431/6 406/4 366/2 369/0	##gh/Le 433/4 436/0 411/0 372/0 374/4	423/0 428/4
429.2 434.6 440.2	428.1 431.7 437.1 troy oz, \$/t	424.0 0 0 440.8	0 0 439.1	May Jul Oct Jan Mar	9.35 9.22 9.10 9.00 8.25 6.70	9.45 9.29 9.21 9.08 3.18 8.95	9.57 9.36 9.29 9.21	9.23 9.10 9.10 8.94	Dec Mar May Jul Sep	432/6 437/4 410/2 371/6 374/4	Previous 426/2 431/8 406/4 386/2	##gh/Le 433/4 436/0 411/0 372/0 374/4	423/0 428/4 406/0 302/0
429.2 434.5 440.2 FURM 60 (Close 611.5 500.0	428.1 431.7 487.1 troy oz; \$/t Previous 510.6 610.6	424.0 0 0 440.8 Toy oz. 5 High/Lo 015.0 514.0	0 0 439.1 w 506.0 506.5	May Jul Oct Jan May	9.35 9.22 9.10 8.00 8.25 8.70 Close	9.45 9.29 9.21 9.08 8.18 8.95	9.57 9.36 9.29 9.21	9.23 9.10 9.10 8.94	Dec Mar May Jul Sep	432/6 437/4 410/2 371/6 374/4	Previous 426/2 431/6 406/4 366/2 369/0	##gh/Le 433/4 436/0 411/0 372/0 374/4	423/0 428/4 408/0 502/0 708/2
429.2 434.5 440.2 FURM 60 (Close 611.5 500.0 613.5	428.1 431.7 487.1 troy oz; \$/t Previous 510.6 510.6 515.6	424.0 0 0 440.8 roy oz. s High/Lo 514.0 518.5	0 0 439.1 w soc.o 505.5 512.0	May Jul Oct Jan May COTTO	9.35 9.22 9.10 9.00 8.25 8.70 001 50,000; Close 52.50	9.45 9.29 9.21 9.08 8.18 8.95 cants/fbe Previous 51.93	9.57 9.38 9.29 9.21 0 0 High/Low	9.23 9.10 9.10 8.94	Dec Mar May Jul Sep LIVE C	Close 432/6 437/4 410/2 371/6 374/4 ATTLE 4	Previous 426/2 431/6 406/4 366/2 366/0 0,000 lbs; ce	##gh/Lc 433/4 433/4 411/0 572/0 374/4 me/lbs.	423/0 428/4 408/0 362/0 368/2
429.2 434.5 440.2 FURM 60 (Close 611.5 500.0	428.1 431.7 487.1 troy oz; \$/t Previous 510.6 610.6	424.0 0 0 440.8 Toy oz. 5 High/Lo 015.0 514.0	0 0 439.1 w 506.0 506.5	May Jul Oct Jan Mar COTTI	9.35 9.22 9.10 9.00 8.25 8.70 ON 50,000; Close 52.50 52.30	9.45 9.29 9.21 9.08 3.18 8.95 cants/fee Previous 51.93 51.85	9.57 9.38 9.29 9.21 0 0 High/Low 52.55 52.55	9.23 9.10 9.10 8.94 0 0	Dec Mar May Jul Sep LIVE C	Close 432/6 437/4 410/2 37 1/8 374/4 ATTUE 4 Close 72,47 74.62	Previous, 426/2 491/6 406/4 266/2 266/0 0,000 that ce Previous 72.02 - 74.05	High/Lc 433/4 438/0 411/0 572/0 874/4 nea/bs High/Lc 72.65 74.75	423/0 428/4 408/0 502/0 308/2 71.50 73.60
429.2 434.6 440.2 Ciose 611.6 509.0 613.5 528.0 538.0	428.1 431.7 457.1 troy oz; \$/t Previous 510.8 510.6 515.6 527.8	424.0 0 440.8 Toy 0z. 5 High/Lo 016.0 518.5 530.0 0	0 0 439.1 w 808.0 506.5 512.0 526.0	May Jul Oct Jan Mar COTTI Dec Mar May Jul	9.85 9.22 9.10 8.00 8.25 8.70 Close 52.50 52.50 52.40 52.45	9.45 9.29 9.21 9.08 3.18 8.95 canta/fbe Previous 51.93 51.93 51.93 82.06	9.57 9.38 9.29 9.21 0 0 52.55 52.55 52.40 52.45	9.23 9.10 9.10 8.94 0 0 61.75 51.55 51.55 52.05	Dec Mar May Jul Sep LIVE C	Close 432/6 437/4 410/2 371/6 374/4 ATTUE 4 Close 72,47 74,62 74,65	Previous 426/2 431/6 406/4 386/2 386/0 0,000 the; oe Previous 72.02 74.05 74.10	High/Le 433/4 438/0 411/0 372/0 374/4 Ma/line High/Le 72.55 74.75 74.76	423/0 428/4 408/0 362/0 365/2 71.80 73.60
429.2 434.6 440.2 Ciose 611.6 509.0 613.5 528.0 538.0	428.1 431.7 437.1 troy oz; \$/t Previous 510.8 510.6 515.8 527.8 0	424.0 0 440.8 roy oz. s High/Lo 515.0 518.5 530.0 0	808.0 606.5 512.0 528.0 0	May Jul Oct Jan Mar COTTO Dec Mar Mar May Jul Dec	9.85 9.22 9.10 8.00 8.25 8.70 Close \$2.50 52.30 52.45 63.45	9.45 9.29 9.21 9.08 3.18 3.95 cants/fbe Previous 51.93 51.86 52.08 82.05 83.10	9.57 9.29 9.21 0 0 52.55 52.56 52.40 62.45 63.45	9.23 9.10 9.10 8.94 0 0	Dec Mary Jul Sep LIVE C	Close 432/6 437/4 410/2 374/4 ATTLE 4 Close 72.47 74.62 74.65 75.86 74.75	Previous 425/2 431/6 405/4 386/2 386/2 386/2 0,000 lbs; ce Previous 72,02 74,05 74,10 75,45 24,47	High/Lc 433/4 438/0 411/0 572/0 874/4 nea/bs High/Lc 72.65 74.75	423/0 428/4 408/0 502/0 308/2 71.50 73.60
429.2 434.5 440.2 Close 611.5 509.0 513.5 528.0 5,000 to	428.1 431.7 437.1 troy oz; \$/t Previous 510.8 510.8 515.8 527.8 0	424.0 0 440.6 roy oz. s High/Lo 514.0 514.0 518.5 530.0 0	805.0 505.5 512.0 526.0 0	May Jul Oct Jan Mar COTTO Dec Mar Mar May Jul Dec	9.35 9.22 9.10 9.00 8.26 8.70 ON 50,000; Close 52.50 52.40 52.45 53.45 GE JUICE	9.45 9.29 9.21 9.08 3.18 8.95 canta/fbe Previous 51.93 51.93 51.93 82.06	9.57 9.29 9.21 0 0 52.55 52.56 52.40 62.45 63.45	9.23 9.10 9.10 8.94 0 0 61.75 51.55 51.55 52.05	Dec Mary May Jul Sep LIVE C	Close 432/6 437/4 410/2 374/4 Close 72,47 74,62 74,65 75,85 74,75 74,75 74,75 74,75 74,75 74,75	Previous 426/2 431/6 406/4 506/2 506/2 506/2 506/2 506/2 74.05 74.05 74.45 771.95	High/Lo 433/4 435/0 411/0 372/0 574/4 nts/files High/Lo 74,75 74,75 74,75 72,80	71.80 78.47 71.80 71.80 71.80 72.47 72.45 71.25
429.2 434.5 440.2 RRM 60 1 Ciose 611.5 500.0 613.5 526.0 536.0 5,000 t Ciose 628.5 632.5	428.1 431.7 437.1 troy oz; \$/t Previous 510.6 610.6 515.8 527.8 0 : 200y oz; cen Previous 629.8 634.0	424.0 0 440.8 Toy oz. 5 High/Lo 518.5 530.0 6 High/Lo 635.0 0	808.0 506.5 512.0 528.0 0	May Jul Oct Jan Mar COTTO Dec Mar Mar May Jul Dec	9.85 9.22 9.10 8.00 8.25 8.70 Close \$2.50 52.30 52.45 63.45	9.45 9.29 9.21 9.08 3.18 3.95 cants/fbe Previous 51.93 51.86 52.08 82.05 83.10	9.57 9.29 9.21 0 0 52.55 52.56 52.40 62.45 63.45	9.23 9.10 9.10 8.94 0 0 61.75 51.55 51.55 52.05	Dec Mary Jul Sep LIVE C	Close 432/6 437/4 410/2 374/4 ATTLE 4 Close 72.47 74.62 74.65 75.86 74.75	Previous 425/2 431/6 405/4 386/2 386/2 386/2 0,000 lbs; ce Previous 72,02 74,05 74,10 75,45 24,47	High/Lc 433/4 438/0 411/0 572/0 374/4 MaRba High/Lc 72.65 74.75 74.75 74.76 72.80 0	422/0 428/4 405/1 365/0 365/2 71.80 73.80 73.40 74.25 71.90 6
429.2 434.5 440.2 UMI 60 1 Close 611.5 509.0 613.5 528.0 538.0 Close 628.5 632.5 637.0	428.1 431.7 437.1 troy oz: \$/t Previous 510.8 510.6 510.6 510.6 527.8 0 : roy oz: cen Previous 629.8 634.0 688.6	424.0 0 440.8 roy oz s High/Lo 518.5 530.9 0 sis/troy oz s High/Lo 635.9 0 643.5	808.0 808.0 808.5 612.0 528.0 0	May Jul Oct Jan Mar COTT Dec Mar May Jul Dec GRAIS	9.25 9.22 9.10 9.00 8.26 8.70 ON 80.000; Close 52.50 52.45 52.45 53.45 GE #USCE 180.25	9.45 9.29 9.21 9.08 3.18 8.95 cants/fbe Previous 51.93 51.93 52.06 82.06 83.10 16,000 fbs; Previous	9.57 9.38 9.29 9.21 0 0 High/Low 52.56 52.65 52.40 62.45 63.45 cents/lbe	9.33 9.10 9.10 8.94 0 0 51.75 51.55 51.55 52.05 53.25	Dec Mary Jul Sep LIVE C	Close 432/6 432/6 437/6 437/6 371/6 371/6 371/6 71/6 72/7 74/6 74/6 74/6 74/6 74/6 74/6 74/6 74	Previous 425/2 431/6 405/4 506/2 506/2 506/2 506/2 506/2 72.02 74.05 74.10 75.46 71.96 71.96	High/Le 433/4 435/9 411/0 372/0 374/4 High/Le 72/55 74/75 74/75 74/76 72/80 0 71.60	71.80 78.47 71.80 71.80 71.80 72.47 72.45 71.25
429.2 434.5 440.2 RIMI 60 9 610.5 511.5 526.0 513.5 526.0 536.0 628.5 632.5 637.0 642.0	428.1 431.7 437.1 troy oz; \$/t Previous 510.6 515.6 527.8 627.8 629.8 634.0 688.5 643.4	424.0 0 440.8 roy oz. s High/Lo 516.0 514.0 518.0 0 0 sis/troy oz. s High/Lo	808.0 808.0 808.0 806.3 812.0 828.0 0	May Jul Oct Jan Mer COTTS Dec Mer May Jul Oct ORAB	9.38 9.22 9.10 9.00 8.25 8.70 OH 50,000; Close 52.50 62.40 62.45 63.45 GE 486CE 180.25 1771.10	9.45 9.29 9.21 9.08 3.18 8.95 Cents/Ese Previous 51.93 51.93 52.06 52.06 53.10 16,000 tbs; Previous 179.80 179.90	9.57 9.39 9.29 9.21 0 0 52.55 52.55 52.55 63.45 63.45 63.45 7.150	9.10 9.10 8.94 0 0 0 61.75 51.55 91.78 52.05 53.25	Dec Mary Jul Sep LIVE C	Close 432/6 432/6 437/6 437/6 371/6 371/6 371/6 71/6 72/7 74/6 74/6 74/6 74/6 74/6 74/6 74/6 74	Previous 425/2 431/6 405/4 506/2 506/2 506/2 506/2 506/2 72.02 74.05 74.10 75.46 71.96 71.96	199/Lc 433/4 438/4 411/0 572/0 572/0 574/4 High/Lc 74.75 74.75 74.75 74.75 74.76 74.76 74.76 74.76 71.60	71.80 73.60 73.60 73.60 73.60 73.60 73.60 73.67 73.76 73.76 73.76 73.76 73.76 73.76
429.2 434.5 440.2 Close 511.5 536.0 536.0 5,000 to Close 625.5 637.0 642.0 642.0 651.9	428.1 431.7 437.1 troy oz; \$\tilde{x}\$ Previous 510.8 510.8 515.8 527.8 0 709 oz; pen Previous 528.8 638.5 643.4 653.2	424.0 0 0 440.8 may oz. a HightLo 0 515.0 518.5 530.0 0 545.5	836.0 636.0 636.0 636.0 636.0 636.0 636.0 636.0	May Jul Oct Jan Mar COTT Dec Mar May Jul Dec GRAIS	9.25 9.22 9.10 9.00 8.26 8.70 ON 80.000; Close 52.50 52.45 52.45 53.45 GE #USCE 180.25	9.45 9.29 9.21 9.08 8.95 cente/fibe Previous 51.93 51.86 52.03 82.05 83.10 16,000 fbs; Previous 179.80 170.90 168.20	9.57 9.38 9.29 9.21 0 0 High/Low 52.55 52.40 62.45 63.45 Cents/lbe High/Low 180.75 171.50	9.38 9.10 8.94 0 0 51.76 51.55 01.76 52.05 53.25	Dec Mary Jul Sep LIVE C	Close 432/6 432/6 437/6 437/6 371/6 371/6 371/6 71/6 72/7 74/6 74/6 74/6 74/6 74/6 74/6 74/6 74	Previous 425/2 431/6 405/4 506/2 506/2 506/2 506/2 70,000 lbs; oe Previous 72.02 74.03 74.10 75.45 74.97 71.95	##gh/Le 433/4 438/0 411/0 312/0 312/0 312/0 312/0 72.55 74.75 74.75 74.75 74.76 72.50 71.50	423/0 428/4 408/0 362/0 362/0 365/2 71.80 73.60 73.60 73.67 74.25 71.30 5
429.2 434.5 440.2 440.2 611.6 530.0 513.5 528.0 538.0 5,000 t 628.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5	428.1 431.7 437.1 troy oz; Srt Previous 510.8 510.6 516.8 627.8 0 0 100 oz; oen Previous 628.8 634.0 688.5 643.8 683.9 683.9 683.9 683.9	424.0 0 440.8 roy oz. = Hight.o 514.0 518.5 580.0 0 645.5 0 658.0 658.0 658.0 658.0 658.0	808.0 506.5 512.0 528.0 0 834.5 0 650.0 506.5 673.5	May Jul Jun Mar COTTI Dec Mar May Jul Dec GRAM Nov Jun Mar Mar May Jud	9.35 9.22 9.10 9.00 8.25 6.70 DM 50,000 Close 52.50 62.45 53.45 GE #HICE Close 180.25 177.10 166.50 186.75	9.45 9.29 9.21 9.08 3.18 8.95 cents/fibe Previous 51.85 52.05 53.10 15,000 tbs; Previous 178.80 170.90 168.20 168.25 168.75	9.57 9.38 9.29 9.21 0 0 0 0 0 High/Low 52.55 52.45 63.45 Cents/be High/Low 180.75 171.50 168.50 168.50	9.35 9.10 8.94 0 0 61.76 51.55 01.76 52.05 53.25	Dec Mar May Juli Sep Liviz Cot Dec Feb Apr Jun Aug Sep Oct	Close 432/6 432/6 431/4 411/4	Previous 426/2 431/8 406/4 386/2 386/2 386/2 0,000 that on Previous 72,02 74,05 74,10 75,45 71,90 71,25	##gh/Le #33/4 #38/0 #11/0 #11/0 #32/0 #32/0 #32/0 #32/0 #16/	423/0 428/4 408/4 502/0 302/0 703/0
429.2 434.5 440.2 440.2 Close 511.5 500.0 513.5 528.0 538.0 538.0 538.0 632.5 632.5 632.5 642.0 851.9 672.5 672.5 682.6	428.1 431.7 437.1 troy oz; \$\tilde{x}\$ Previous 510.8 510.8 515.8 527.8 0 709 oz; pen Previous 528.8 638.5 643.4 653.2	424.0 0 0 440.8 may oz. a HightLo 0 515.0 518.5 530.0 0 545.5	836.0 636.0 636.0 636.0 636.0 636.0 636.0 636.0	May Jul Oct Jan Mar Mar Mar May Jul Dec GRAIS	9.35 9.22 9.10 9.00 8.25 8.75 8.70 Close 52.50 52.50 52.30 52.45 53.45 6	9.45 9.29 9.21 9.08 3.18 8.95 Previous 51.93 51.85 52.03 82.06 83.10 15,000 tbs; Previous 172.90 168.20 168.20 168.75 163.05	9.57 9.38 9.29 9.21 0 0 0 High/Low 52.55 52.55 52.45 63.45 63.45 771.50 189.75 199.50	9.83 9.10 9.10 8.94 0 0 0 51.75 51.55 01.76 52.05 53.25	Duc Mar May Jul Sep LIVE C Cct Dec C Cct Dec C Cct C C	Close 432/6 432/6 432/6 437/4 410/2 57/6 57/46 72,47 74,62 74,76 74,76 74,76 77,76 77,76 71,50 71,50 Close 40,02 42,50	Previous 426/2 431/2 431/2 431/2 430/4 306/2 306/2 306/2 306/2 70.000 lbs; ce 72.02 74.05 71.95 71.95 71.95 000 lb; cents/	##gh/Le 433/4 438/0 411/0 312/0 312/0 312/0 312/0 72.55 74.75 74.75 74.75 74.76 72.50 71.50	423/0 428/4 408/7 382/0 388/2 71.80 73.82 73.82 73.82 73.82 74.95 71.86 74.95 71.86
429.2 434.5 440.2 440.2 Close 511.5 500.0 513.5 528.0 538.0 538.0 538.0 632.5 632.5 632.5 642.0 851.9 672.5 672.5 682.6	428.1 431.7 437.1 troy oz, \$h Previous 510.8 510.8 510.8 515.8 527.8 0 toy oz, cen Previous 629.8 634.9 633.4 633.4 633.2 633.7	424.0 0 0 440.8 140.8 140.8 154.0 0 15.0 518.5 518.5 518.5 630.0 0 158.5 0 643.5 0 658.6 655.5 677.5 0	808.0 808.0 808.5 612.0 908.0 908.0 908.0 908.0 908.5 908.0 908.5 908.5	May Jul Jun Mar COTTI Dec Mar May Jul Dec GRAM Nov Jun Mar Mar May Jud	9.35 9.22 9.10 9.00 8.25 6.70 DM 50,000 Close 52.50 62.45 53.45 GE #HICE Close 180.25 177.10 166.50 186.75	9.45 9.29 9.21 9.08 3.18 8.95 cents/fbe Previous 51.86 52.06 53.10 15,000 fbs; Previous 179.80 170.90 168.20 168.20 168.75 163.75 163.75 163.95	9.57 9.38 9.29 9.21 0 0 0 0 0 High/Low 52.55 52.45 63.45 Cents/be High/Low 180.75 171.50 168.50 168.50	9.85 9.10 9.96 0 0 6 51.76 51.55 01.76 52.05 53.25 1770.25 167.50 168.50 0	Dec Mar May Juli Sep LIVE C Ct Dec Feb C Ct Dec	Close 432/6 437/4 437/4 410/2 37/8 37/44 Close 72,47 74,85 76,85 74,75 71,90 71,50 Close 40,02 42,57	Previous 428/2 431/6 405/4 306/2 306/2 306/2 0,000 lbs; on Previous 72,02 74,05 74,10 75,45 71,90 71,25	##gh/Le 433/4 438/0 411/0 372/0 372/0 372/0 72.55 74.75 74.75 74.75 74.76 74.76 71.60 40.47 40.47 40.49	423/0 428/4 408/4 502/0 308/2 71.50 73.60 73.67 74.25 75 75 75 75 75 75 75 75 75 75 75 75 75
429.2 434.5 440.2 440.2 440.2 440.2 651.5 509.0 511.5 509.0 512.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5 632.5	428.1 431.7 437.1 troy oz; S/h Previous 510.6 510.6 510.6 527.8 6 200 oz; oen Previous 529.8 634.0 686.6 643.4 633.2 623.2 633.2 633.2 633.2 633.2	424.0 0 440.8 roy oz. 6 Highto 514.0 535.0 0 635.0 0 635.0 0 645.5 0 655.5 0 655.5 0 655.5 0	836.0 636.5 512.0 526.0 0 836.0 0 836.0 0 836.0 0 836.0 0 836.5 0 836.0 0	May Jul Jan Mar COTT Dec Mar Mar Mar Mar Mar Mar Mar Jul	9.35 9.22 9.20 9.00 8.25 8.27 Close 52.50 62.40 52.45 5	9.45 9.29 9.21 9.08 3.18 8.95 Cents/Ese Previous 51.86 52.06 53.10 16,000 tbs; Previous 179.80 170.90 168.20 168.20 168.75 168.75 168.75 168.05	9.57 9.38 9.29 9.21 0 0 0 High/Low High/Low 180.75 171.50 180.50 180.00 0	9.83 9.10 9.10 8.94 0 0 0 51.75 51.55 01.76 52.05 53.25	Dec Mar May Jul Sep LIVE Cot Dec Feb Apr Oct Dec Feb Apr Jan	Close 432/6 432/6 432/6 437/4 410/2 571/6 374/4 ATTUE 4 Close 72,47 74,62 74,65 76,66 74,76 72,22 71,90 71,50 006 90,0 Close 40,02 42,50 46,77 48,70	Previous 426/2 431/6 406/4 386/2 386/2 386/2 0,000 tbs; oe Previous 72,02 74,05 74,10 75,45 71,90 71,25 000 ib; cents/ Previous 40,90 42,62 45,82 44,42 45,75	##gh/Le 453/4 453/4 453/4 453/4 453/4 453/4 453/4 453/4 453/4 453/4 453/5 453/5 453/5 453/5	423/0 428/4 408/7 382/7 388/2 71.80 72.82 73.82 73.82 73.82 74.25 71.86 5 71.86 71.86 71.86 71.86 42.97 45.80 45.80
429.2 439.2 439.2 440.2 RIMI 60 611.5 500.0 611.5 526.0 536.0 536.0 628.5 632.5	428.1 431.7 437.1 troy oz; Srt Previous 510.8 510.6 515.8 527.8 6 0 roy oz; cen Previous 528.8 634.0 643.4 653.3 653.2 643.4 653.3 653.2 653.2 704.2	424.0 0 0 440.8 roy oz. High/Lo 514.0 514.0 514.0 535.0 0 0 645/roy oz. High/Lo 635.0 0 645.5 0 655.5 0 665.5 677.5 0 0 //iba	808.0 506.5 512.0 528.0 0 834.5 0 880.0 506.5 573.5 0	Mary Jul Jun GOTTE Dec Mar Mar Mar Mar Mar Mar Mar Mar Mar Mar	9.25 9.22 9.10 8.25 8.75 8.75 8.75 8.25 8.25 82.40 82.45 83.45 83.45 62.44 83.45 62.45 83.	9.45 9.29 9.21 9.08 3.18 8.95 cents/fbe Previous 51.86 52.06 53.10 15,000 fbs; Previous 179.80 170.90 168.20 168.20 168.75 163.75 163.75 163.95	9.57 9.38 9.29 9.21 0 0 0 High/Low High/Low 180.75 171.50 180.50 180.00 0	9.85 9.10 9.96 0 0 6 51.76 51.55 01.76 52.05 53.25 1770.25 167.50 168.50 0	Dec Mar May Jul Sep LIVE C Dec Feb Apr Jun Aug Sep Oct Dec Feb Apr Jun Aug Sep Oct Dec Feb Apr Jun Jul	Close 432/6 432/6 432/6 432/6 410/2 371/6 374/6 ATTLE 4 Close 72,47 74,65 74,65 74,76 74,65 71,50 71,60 Close 40,02 42,57 44,42 48,90	Previous 426/2 431/6 406/4 306/2 306/2 306/2 306/2 72.02 74.05 74.10 75.46 71.96 71.96 71.95 71.25	##gh/Le 433/4 438/0 411/0 372/0 372/0 372/0 72.55 74.75 74.75 74.75 74.76 74.76 71.60 40.47 40.47 40.49	423/0 428/4 408/4 502/0 308/2 71.50 73.60 73.67 74.25 75 75 75 75 75 75 75 75 75 75 75 75 75
429.2 439.2 439.2 440.2 RIMI 60 Ciose 611.5 538.0 538.0 538.0 628.5 632.	428.1 431.7 437.1 troy oz; \$/t Previous 510.8 510.6 510.6 510.6 527.6 0 roy oz; cen Previous 528.8 634.0 638.5 643.4 653.3 683.2 704.2 704.2	424.0 0 440.8 ray oz. High/Lo 514.0 514.0 514.0 514.0 535.0 0 645/ray oz. High/Lo 635.0 0 645.5 0 655.5 0 705.0 0 705.0	808.0 506.5 512.0 528.0 0 834.5 0 850.0 505.5 673.5 0 703.0	May Jul Oct Jan COTTO Dec May Jul Dec GRAIN Nov Jan May May May May May May May May May May	9.35 9.22 9.10 9.00 8.25 8.75 8.75 8.26 60.00 62.30 62.45 63	9.45 9.29 9.21 9.08 3.18 8.95 Previous 51.93 51.85 82.06 83.10 15,000 the; Previous 172.90 168.20 168.20 168.75 163.05 163.95	9.57 9.38 9.29 9.21 0 0 0 High/Low 52.55 52.45 53.45 5	9.85 9.10 9.10 8.94 0 0 0 51.75 51.95 51.95 52.05 53.25 170.25 157.90 168.50 168.50 168.50 0 0	Dec Mar May Jul Sep LIVE Cot Dec Feb Apr Oct Dec Feb Apr Jan	Close 432/6 432/6 432/6 432/6 431/4 410/2 57/6 57/4 67/4 67/4 67/4 67/4 67/4 67/4 67/4 6	Previous 426/2 431/2 431/2 431/2 431/2 430/4 386/2 386/2 386/2 386/2 71.05 71.95 71.95 71.95 Previous Previous 40.00 40.82 45.82 45.82 45.82 45.93 48.05	##gh/Le 453/4 458/0 411/0 572/0 572/0 574/6 72.55 74.75 74.75 74.75 74.75 74.75 74.75 74.75 74.75 44.77 42.80 44.77 46.97 46.97 46.15	71.90 72.90 72.90 73.90 73.90 73.90 73.90 73.90 73.90 74.90 80 74.90 40 40 40 40 40 40 40 40 40 40 40 40 40
429.2 439.2 439.2 440.2 RIMI 60 611.5 513.0 513.0 513.0 538.0 538.0 632.5 632.	428.1 431.7 437.1 troy oz; \$/t Previous 510.8 510.6 510.6 510.6 6 0 0 roy oz; cen Previous 522.8 634.0 633.3 635.2 643.4 653.3 653.2 704.2	424.0 0 0 440.8 440.8 514.0 515.0 518.5 518.5 530.0 0 655.0 645.5 6775.0 0 708.0 0 708.0 122.50	808.0 808.5 512.0 528.0 0 834.5 0 834.5 0 703.0	May Jul Oct Jan COTTO Dec May Jul Dec GRAIN Nov Jan May May May May May May May May May May	9.25 9.22 9.10 8.00 8.25 8.75 8.70 604 50.000 52.50 62.40 62.45 63	9.45 9.29 9.21 9.08 9.21 9.08 9.18 8.95 cants/be Previous 51.93 51.95 52.03 82.05 83.10 15,000 the; Previous 172.90 168.20 168.75 168.95 169.95	9.37 9.38 9.29 9.21 0 0 High/Low 52.55 52.55 52.45 63.45 63.45 771.50 180.75 180.50 180.50 0 0 0	9.35 9.10 9.10 8.94 0 0 0 0 0 0 0 0 0 0 0 0 0	Dec Mar Msy Jul Sep LIVE C C C Dec Peb Apr Jun Aug Sep Oct Dec Peb Apr Jun Aug Cot Dec Peb Apr Jun Aug Cot Dec Peb Apr Jun Aug Cot Dec Peb Apr Jun Jul Aug Cot	Close 432/6 437/4 437/4 410/2 37/46 37/4/6 Close 72,47 74,52 74,65 76,65 71,70 71,50 Close 40,02 42,50 40,02 42,50 48,90 48,90 48,90 48,30	Previous 428/2 431/6 405/4 306/2 306/2 306/2 306/2 0,000 lbs; ce Previous 72,02 74,05 74,10 75,45 74,17 71,95 71,95 71,95 71,25 00 lb; cents/ 40,20 42,82 45,82 44,42 45,92 45,02 45,03	1789/1-1453/4 453/4	423/0 428/4 408/4 408/7 388/2 71.80 72.82 73.82 73.82 73.82 73.82 73.82 74.25 71.36 6 71.36 44.50 44.50 44.50 46.82
494.5 434.5 440.2 440.2 440.2 651.5 509.0 513.5 536.0 536.0 536.0 632.5 637.0 642.0 851.9 657.9 642.0 657.9 642.0 703.2 703.2 703.2 703.2	428.1 431.7 437.1 troy oz, \$h Previous 510.8 510.6 516.6 527.8 0 roy oz, cen Previous 529.8 634.0 636.5 643.4 653.8 634.0 636.7 636.7 636.7 636.7 636.7	424.0 0 440.8 ray oz. High/Lo 514.0 514.0 514.0 514.0 535.0 0 645/ray oz. High/Lo 635.0 0 645.5 0 655.5 0 705.0 0 705.0	808.0 506.5 512.0 528.0 0 834.5 0 850.0 505.5 673.5 0 703.0	May Jul Oct Jan COTTO Dec May Jul Dec GRAIN Nov Jan May May May May May May May May May May	9.35 9.22 9.10 8.00 8.25 8.70 8.25 8.70 6.25 6.25 6.25 62.45 63.45	9.45 9.29 9.21 9.08 9.18 8.95 cants/be Previous 51.93 51.95 52.03 82.05 83.10 16,000 the; Previous 172.90 168.20 168.75 168.95 169.95	9.37 9.38 9.29 9.21 0 0 0 High/Low 52.55 52.55 52.45 53.45 53.45 53.45 771.50 188.50 188.50 188.50 0 0 0 0 188.5	9.35 9.10 9.10 8.94 0 0 0 0 0 0 0 0 0 0 0 0 0	Dec Mar Msy Jul Sep LIVE C C C Dec Peb Apr Jun Aug Sep Oct Dec Peb Apr Jun Aug Cot Dec Peb Apr Jun Aug Cot Dec Peb Apr Jun Aug Cot Dec Peb Apr Jun Jul Aug Cot	Close 432/6 432/6 432/6 432/6 432/6 410/2 371/6 374/6 71.62 72.47 74.62 74.62 74.62 74.62 74.72 71.60 71.60 40.02 42.50 45.70 45.70 45.70 45.70 45.70 45.70	Previous 426/2 431/6 430/4 306/2 306/2 306/2 306/2 306/2 306/2 71.05 71.95 71.95 71.95 Previous Previous 40.00 42.02 45.02 45.73 45.10 38.000 ibs; os	1789/1-1453/4 453/4	71.90 72.90 72.90 73.90 73.90 73.90 73.90 73.90 73.90 74.90 80 74.90 40 40 40 40 40 40 40 40 40 40 40 40 40
429.2 434.5 440.2 440.2 440.2 651.5 550.0 613.5 536.0 5,000 6 628.5 632.	428.1 431.7 437.1 troy oz, \$h Previous 510.8 510.6 515.6 527.8 0 roy oz, cen Previous 529.8 634.9 636.5 643.4 653.5 643.4 653.5 632.7 699.2 704.2 715.0 116.00 110.00 107.00	424.0 0 0 440.8 0 140.8 0 150.0 0 150.0 0 150.0 0 150.0 0 0 150.0 0 0 150.0 0	808.0 808.5 512.0 528.0 0 834.5 0 834.5 0 703.0 0	May Jul Oct Jan Oct Jan May Jul Dec May Jul Nov Jan No	9.35 9.22 9.10 9.00 8.25 8.70 Close 52.50 52.50 52.30 52.45 53.45 53.45 63.45 63.45 63.45 63.45 63.45 63.45 63.45 63.45 63.45 63.75 166.75 166.75 160.95 160.95	9.45 9.29 9.21 9.08 9.21 9.08 8.18 8.95 Cents/tbe Previous 51.93 51.95 82.08 82.08 83.10 16.000 tbs; Previous 172.80 174.90 168.20 168.20 168.20 168.25 169.95 160.95	9.57 9.38 9.29 9.21 0 0 0 High/Low 52.55 52.55 52.45 53.45 53.45 53.45 57.159 168.50 168.50 168.00 0 0 0 189.71	9.35 9.10 9.10 8.94 0 0 61.75 51.55 01.75 52.05 52.05 52.05 53.25 170.23 167.50 168.50 168.50 0 0 0 168.50 170.25 169.50	Dec Mar May Jul Sep LIVE of Dec Feb Apr Jun Aug Sep Oct Dec Feb Apr Jun Aug Sep Oct Dec Feb Apr Jun Jul Aug Cot Took Ten Jul Aug Cot Ten	Close 432/6 437/4 437/4 410/2 37/46 37/4/6 Close 72,47 74,52 74,65 76,65 71,70 71,50 Close 40,02 42,50 40,02 42,50 48,90 48,90 48,90 48,30	Previous 428/2 431/6 405/4 306/2 306/2 306/2 306/2 0,000 lbs; ce Previous 72,02 74,05 74,10 75,45 74,17 71,95 71,95 71,95 71,25 00 lb; cents/ 40,20 42,82 45,82 44,42 45,92 45,02 45,03	1789/1-1453/4 453/4	423/0 428/4 408/4 408/4 362/0 76.60 76.60 78.60 78.60 78.60 78.60 78.60 78.60 45.60
490.2 434.5 440.2 440.2 440.2 651.5 550.0 530.0 530.0 530.0 530.0 642.0 642.0 651.9 672.5 632.5	428.1 431.7 437.1 troy oz; S/n Previous 510.6 510.6 510.6 510.6 510.6 527.6 0 roy oz; oen Previous 528.8 634.0 638.2 643.4 633.3 638.2 704.2 119.00 110.90 110.90 100.90	424.0 0 440.8 107.0 116.0	808.0 506.5 512.0 528.0 0 834.5 0 834.5 0 121.00 111.45	May Jul Oct Jan Oct Jan May Jul Dec May Jul Nov Jan No	9.35 9.22 9.10 9.00 8.25 8.70 Close 52.50 52.50 52.30 52.45 53.45 53.45 63.45 63.45 63.45 63.45 63.45 63.45 63.45 63.45 63.45 63.75 166.75 166.75 160.95 160.95	9.45 9.29 9.21 9.08 9.18 8.95 cants/be Previous 51.93 51.95 52.03 82.05 83.10 16,000 the; Previous 172.90 168.20 168.75 168.95 169.95	9.57 9.38 9.29 9.21 0 0 0 High/Low 52.55 52.55 52.45 53.45 53.45 57.15 177.59 168.50 168.00 0 0 0 189.75	9.35 9.10 9.10 8.94 0 0 61.75 51.55 01.75 52.05 52.05 52.05 53.25 170.23 167.50 168.50 168.50 0 0 0 168.50 170.25 169.50	Dec Mar May July Sep Live Cot Dec Feb Apr July Aug Cot Dec Feb Apr July Aug Cot Total Tota	Close 432/6 432/6 432/6 437/4 410/2 37 1/6 374/4 ATTLE 4 Glose 72,47 74,65 74,65 74,76 71,50 71,50 Close 40,02 42,57 44,42 48,70 48,90 48,70 48,90 48,57	Previous 428/2 431/6 405/4 508/2 508/2 508/2 508/2 508/2 508/2 74.05 74.10 75.45 74.10 75.45 71.95 71.95 71.25 000 ib; cents 40.20 42.82 44.42 45.73 49.45 Previous 49.45	##gh/Le 453/4 458/0 411/0 572/0 572/0 574/6 74.75 40.75 40.	#22/0 #2 #2 #2 #2 #2 #2 #2 #2 #2 #2 #2 #2 #2
429.2 434.5 434.5 440.2 440.2 611.5 509.0 613.5 528.0 535.0 535.0 642.0 642.0 651.9 672.5 632.5 637.0 642.0 703.2 703.2 703.2 713.40 113.40 113.40 113.40 110.00 102.50	428.1 431.7 437.1 troy oz, \$h Previous 510.8 510.6 515.6 527.8 0 roy oz, cen Previous 529.8 634.9 636.5 643.4 653.5 643.4 653.5 632.7 699.2 704.2 715.0 116.00 110.00 107.00	424.0 0 0 440.8 0 140.8 0 150.0 0 150.0 0 150.0 0 150.0 0 0 150.0 0 0 150.0 0	808.0 808.0 808.5 512.0 528.0 0 834.5 0 834.5 0 703.0 121.00 115.00 111.05 101.20 107.70	New Jul Dec Orace May Jul Dec Orace May Jul Nov Jun Mar May Jul Nov Jun Ber May Jul Dec	9.35 9.22 9.10 9.00 8.25 8.70 Close 52.50 52.50 52.50 52.45 52.45 53.45 62.45 63.45	9.45 9.29 9.21 9.08 9.21 9.08 9.18 8.95 Canta/tbe Previous 51.85 82.08 82.08 83.10 166.00 tbs; Previous 172.90 166.20 166.25 163.05 160.95 160.95 Cct 4 1857.8 sser Dec. \$1	9.57 9.38 9.29 9.21 0 0 0 High/Low 52.55 52.55 52.45 53.45 53.45 57.15 177.59 168.50 168.00 0 0 0 189.75	9.35 9.10 9.10 8.94 0 0 61.76 51.95 51.95 52.05 53.25 170.25 157.95 168.50 168.50 0 0 168.00 0 168.00 0	Dec Mar May Juli Sep LIVE of Dec Feb Apr Jun Aug Sep Oct Dec Feb Apr Jen Juli Aug Sep Oct Dec Feb Apr Jen Juli Aug Cot Tec Feb Mar Mar	Close 432/6 432/6 432/6 432/6 432/6 432/6 410/2 374/6 774/65 76/65 774/65 774/65 774/65 774/65 774/65 76/66 76/66	Previous 426/2 431/2 431/2 431/2 431/2 431/2 388/3 0,000 lbs; cents/ 74,10 75,45 74,10 75,45 71,95 71,25 100 lb; cents/ 40,20 42,62 48,75 49,20 48,50 48,50 Previous 49,45 49,57	##gh/Lo 453/4 453/4 453/4 453/4 453/4 453/4 453/4 411/0 5724/0 72.55 74.77 46.37 46.	423/0 428/4 408/4 408/4 362/0 76.60 76.60 78.60 78.60 78.60 78.60 78.60 78.60 45.60
429.2 434.5 434.5 440.2 440.2 611.6 511.5 509.0 613.5 528.0 532.5 637.0 642.0 851.9 672.5 642.0 642.0 703.2 703.2 703.2 713.4	428.1 431.7 437.1 troy oz; \$/t Previous 510.8 510.6 510.6 510.6 510.6 60 0 roy oz; cen Previous 522.8 634.0 638.5 643.4 653.3 683.2 704.2 704.2 119.00 110.90 110.90 100.90 94.40 112.90	424.0 0 0 440.8 roy oz. High/Lo 518.0 518.0 518.0 635.0 0 643.5 0 643.5 0 643.5 0 643.5 0 102.0 115.50 115.50 0 102.90 98.00 0	808.0 506.5 512.0 528.0 0 834.5 0 834.5 0 115.00 115.00 111.45	May Jul Oct Jan Mer GOTTO Dec Mer	9.35 9.22 9.10 9.00 8.25 8.70 Close 52.50 52.50 52.50 52.45 52.45 53.45 62.45 63.45	9.45 9.29 9.21 9.08 9.21 9.08 8.18 8.95 Previous 51.93 51.93 52.06 53.10 16,000 tbs; Previous 179.90 170.90 168.20 168.25 163.75 163.75 163.95 260.95	9.57 9.38 9.29 9.21 0 0 High/Low 52.55 52.45 52.45 53.4	9.35 9.10 9.10 8.94 0 0 61.75 51.55 01.75 52.05 52.05 52.05 53.25 170.23 167.50 168.50 168.50 0 0 0 168.50 170.25 169.50	Dec Mar May July Sep Live Cot Dec Feb Apr July Aug Cot Dec Feb Apr July Aug Cot Total Tota	Close 432/6 432/6 432/6 437/4 410/2 37/46 37/4/6 Close 72,47 74,65 76,65 76,65 71,70 71,50 008 30,6 Close 40,02 42,50 48,70 48,70 48,70 48,90	Previous 426/2 431/6 400/4 386/2 386/2 386/2 386/2 386/2 74.05 74.05 74.05 77.90 75.45 77.90 71.95 71.95 40.92 44.75 48.92 48.75 48.95 45.10 Previous 49.80 Previous 49.80 48.75 49.90 Previous 49.87 61.52	##gh/Lo #\$3/4 #\$8/0 #\$11/0 \$72/0 \$72/0 \$74/7 #\$1/0	#23/0 #23/4 #28/4 #28/4 #28/2 #2 #2 #2 #2 #2 #2 #2 #2 #2 #2 #2 #2 #2
429.2 434.5 440.2 NUM 60 610.6 611.5 536.0 613.5 536.0 R 5.000 6 628.5 637.0 642.0 651.9 671.9 671.9 671.9 671.9 671.9 671.9 672.5 682.8 682.8 682.8 682.8 682.8 682.8 682.9 6	428.1 431.7 437.1 troy oz; \$h Previous 510.8 510.8 510.8 510.8 510.8 527.8 0 209 oz; cen Previous 629.3 638.2 638.	424.0 0 0 440.8 corp oz. s Hight.co corp oz. s High.co	808.0 808.0 808.5 612.0 828.0 0 834.5 0 834.5 0 703.0 0 115.00 111.45 0 101.20 07.70	May Jul Oct Jan Mer GOTTO Dec Mer	9.35 9.25 9.20 9.00 8.25 8.70 Colose 52.50 62.45 63.45 63.45 63.45 64.45 65.25 771.10 168.75 168.75 168.75 168.75 169.95 180.95 1	9.45 9.29 9.21 9.08 9.21 9.08 8.18 8.95 Previous 51.93 51.93 52.06 53.10 16,000 tbs; Previous 179.90 170.90 168.20 168.25 163.75 163.75 163.95 260.95	9.57 9.38 9.29 9.21 0 0 High/Low High/Low 100,75 101,	9.35 9.10 9.40 8.94 0 0 61.76 51.55 01.76 52.05 53.25 170.25 160.50 160.50 160.50 160.50 170.25 160.50 160.5	Dec Mar May Jul Sep LIVE C C C Dec Feb Apr Jul Aug Sep Oct LIVE H C C C C C C C C C C C C C C C C C C	Close 432/6 432/6 432/6 432/6 432/6 432/6 410/2 374/6 774/65 76/65 774/65 774/65 774/65 774/65 774/65 76/66 76/66	Previous 426/2 431/2 431/2 431/2 431/2 431/2 388/3 0,000 lbs; cents/ 74,10 75,45 74,10 75,45 71,95 71,25 100 lb; cents/ 40,20 42,62 48,75 49,20 48,50 48,50 Previous 49,45 49,57	##gh/Lo 453/4 453/4 453/4 453/4 453/4 453/4 453/4 411/0 5724/0 72.55 74.77 46.37 46.	#22/0 #22/4 #02/4



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WORLD STOCK MARKETS

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Do. Ptg. NEV Financials MASDAQ O Dow Indu 10.56 CAN 1.500 유물육자 나무 1호수학수도로 수 가구를 1중 1유도움으로 우리 등록 문제로 사용하다 하는 1 구물을 사용하다 是是自己,他们是我们的一个,他们是是是是是一个,他们的一个的,也是是是一个,他们的是是一个,他们是是是一个一个,他们是是我们的一个,他们是是一个一个,他们是是是 1.690 x 1.200 निक्षा अस्तर स्टिनिक्ष मान्य विकार मान्य के स्टिनिक्ष मान्य स्टिनिक्ष मान्य स्टिनिक्ष मान्य स्टिनिक्ष मान्य स्टिनिक् +0.02 +0.02 +0.1 +0.15 +0.15 1951 | 55555 | 1861 | 961 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 1861 | 18

| TORONTO | TORO

	INDICES															
IRDICES																
W YORK DOW JONES									1 ———	Oct. Oct.		Oct.	Oct.	1988		
										6	5	4	3	Bigh	Low	
	Oct.	- Oct 4	Oct.	Sep 30	High	988 Low	Since co	Low	AUSTRALIA Ali Ordinaries (1/1/80)	1516.3	1512.1	1523.6	1542.6	1657.8 (9/8)	1170.7 (10/2)	
tais	2106.51	2102.06	2205.26	211291	2158.61	1879.14	2722.42 (25/8/87)	41.22 (2/7/32) 12.32 (8/7/32) 10.50	Alf Mining (1/1/80)	691.9	689.1	694.2	708.2	847.8 (9/8)	532,4 (10/2)	
onds	918.01	99.59 972.34	89.51 911.14	906.96	9175 9175 9175	20/1) 86.12 4/11 13/15/ 12/11)	1101.16		AUSTRIA Credit Aktien (30/12/84)	205.48	205.90	204.86	204.80	205.90 (27/9)	163.98 (11/2)	
	183.20	181.84	181.72	181.54	908.60 229/91 198.02	167.26	0.4(8/87) 227.83		BELGIUM Brussels SE CL/1/840	533L94	5272.90	5256.20	5269.80	5331_90(6/10)	3608.35(4/2)	
High 2119	2219.84 (2119.49) Low 2082.33 (2098.68)							DENMARK Copenhagen SE C9/1/83)	233.66	234.84	234.73	233.96	234.84 (5/10)	180.68 (4/2)		
URD AND P	POOR'S								FINLAND		-	-			7,4,5	
te‡	27L86	270.62		271.91	275.66 (22/6) 318.54	242.63	336,77 (25/8/87)	0.16/320	Unitas General (1975)	4.089	682.6	684.4	685.3	772,1 (8/8)	530.6 (15/1)	
& &	311.90 25.88	310.42 25.86	311.14 25.95	311.67 25.98	318.54 122/63 26.05 116/98	K) (2017)	025/8/87) 393.17 025/8/87) 32.43 025/8/87)	3.62 (21/6/32) 8.64 (1/10/74)	FRANCE CAC General C31/12/82) Ind, TendanceC31/12/877	382.0 147.7	379.6 148.4	(m) 1.47.6	379.7 147.2	382.0(6/10) 148.4 (5/10)	251_3 (29/1) 89,7 (29/1)	
omposité kt. Valué ,	153,62 299.97	152.98 299.62	153.23 300.00	153.57 301.63	155.35 (22/6) 309.33	136.72 (20/1) 262.76	187.99 (25/8/87) 365.01	4.46 (25/4/42) 29.31	GERMANY FAZ Akties (31/12/58) Commerchank (1/12/53) DAX (30/12/87)	519.54 1573.40 1261.63	517.22 1567.80 1252.31	514.33 1559.40 1246.58	513.92 1559.20 1242,44	519.54 (6/10) 1576,40(21/9) 1261.63 (6/10)	396.40 (29/1) 1207.9 (29/1) 931_18 (28/1)	
OLC Comb	384.52	384.20	384,48	387,71,	10/61 394.77 (18/7)	(12/1) 331.97 (12/1)	(13/8/87) 455.28 (26/8/87)	(902)72 54.37 (31)10/72)	HONG KONS Hang Seng Bank (31,77/64)	2427,04	2417,42	2415.76	2429.07	2772.53 (1.2/1)	2223,56 (8/2)	
Sep 30 Sep 23 Sep 16 year ago (apprex.) dustrial Div. Yield 3.66 3.70 3.68 2.61						HALY Banca Com, Ital, (1972)	558,47	556,59	554.57	565.09	558.47 (6/10)	423.91 (9/2)				
ndustrial PE ratio	dix, yield _			Sep 2 3.19 13.0			year ago (approx.) 2.40 23,20		JAPAN** *********************************	27172,34 2096,76	27405.49 2116.76	27501.02 2129.78	27545.53 2125.78	28423.38 (5/8) 2253.10 (2/8)	21217,04 (4/1) 1690,44 (4/1)	
GACTIVITY \$ Volume NEW YORK Oct 5 Oct 4 Oct 3							METHERLANDS ANP-CBS General (1970) AMP-CBS Industrial (1970)	275.10 244.0	274.5 239.9	273.0 237.1	273.6 237.1	284.8 (9/80 244.0 (6/10)	205.7 (4/1) 157.9 (11/1)			
		57.760			Rises — 1,9 Rises — 8 Falls — 5		73 1,92 1,919 52 636 527 64 769 947 117 527 445 37 29 23 26 117 20		NORWAY Oslo SE (4/1/83)	392,09	395.36	391L88	392.98	423.64 (21/7)	327.78 (28/1)	
= :	10.545	7.644 . 06.221	130.38 7.73 107,43		Sew Highes	=	37 25	20	SINGAPORE, Strates Times Ind. (30/12/66)	997.74	993.18	1005.28	1023.05	1177.87 (8/8)	833.60(4/1)	
NADA Det Oct Oct Sep 1988									SOUTH AFRICA USE Gold (28/9/78) USE Industrial (28/9/78)	1315.03 1741.04	3288.0 1734.0	1294.0 1739.0	1276.0 1732.0	1451.0 (7/7) 1758.0 (20/7)	1154.0 (4/5) 1387.0 (12/2)	
Macrals .	5 268		56.8 2		30 2748.9	High 3226,5 (5/7	223	Low 8.7 (8/2)	SPAIN Madrid SE (30/12/85)	282.32	282,00	282.75	283.68	301.63 (15/6)	225.50 (4/1)	
AL Portfol	331 6 _ 1647	-			634,42	3465.A (5 T 1723.T1 (5 T		7.9 (8)2) .06 (27)3)	SWEDEN Jacobson & P. (31/12/56)	316L90	3122.00	3122.04	3112.3	3161.90 (6/10)	2148.5 (4/1)	
V YORK ACTIVE STOCKS									SWITZERLAND Swiss Bank Ind. (31/12/58)	568.50	565.90	565.10	565.90	568.50(6/10)	466.6 C3/D	
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Dow stagnates in wait for figures

Wall Street

EQUITIES continued to hold in a narrow range yesterday, with no incentive for the market to make aggressive plays before today's scheduled release of September US unemployment figures, writes Janet Bush in New York.

Daily fluctuations for the last five sessions have been confined to single digits on the Dow Jones Industrial Average as the market has stagnated in the run-up to a crucial series of nomic figures to be released

The Dow closed yesterday 1.24 points higher at 2,107.75 in moderately active volume of

The prospect of the first evidence of the state of the economy for September has height-ened fears in both the equity and bond markets. Overall, the data are expected to show a return to robust economic

growth last month after a somewhat subdued and drought-affected August.

Today's unemployment figures are the first hurdle. Expectations are for a strong set of figures including a rise in the non-farm payroll of near to 300,000 and a 0.1 per cent to 0.2 per cent in the unemploy-ment rate in September.

for industrial production, retail sales and producer prices are expected to reflect a broad expansion in the manufactur-ing sector, healthy new orders rising consumer confi-

Overall, there is a prediction that interest rates will go higher this year as the US Federal Reserve's tightening moves are not regarded as suf-ficient to slow down the econ-omy and head off higher infla-

In addition the markets have to get over the hurdle next Thursday of August trade fig-ures that are expected to show a widening in the deficit to per-haps \$11.5bn after the surpris-ingly encouraging \$9.5bn short-fall recorded in July.

Given these considerations as well as a general sense of nervousness about the presi-dential election next month, there seems little prospect that there seems little prospect that the equity market will rise much above the present levels. One of yesterday's largest gainers was MCA, which added \$2% in morning trading on rumours that it may be bought by Walt Disney. The shares then slipped back to finish \$1% higher at \$46%. TW Services, one of the most

TW Services, one of the most actively traded shares on the New York Stock Exchange, added \$1% to \$26% after the company announced thet it had received a \$28-a-share

merger proposal from SWT

Bally Manufacturing gained

pany had received a proposal for a leveraged buy-out. It then closed unchanged at \$24 after news of a definitive merger agreement with US Health.

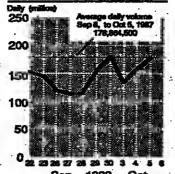
Damon rose \$% to \$24%. The company urged its shareholders not to accept a \$24 a-share offer from Nomad Partners. It argued that Nomad's own financial advisers had put its worth at between \$29 a share and \$35 a share.

onl \$55 a snare.

Oil stocks gained slightly in response to the modest rally in crude oil prices. Atlantic Richfield was quoted \$% higher at \$77%, Mobil edged \$% higher to \$42% and Chevron added \$% to \$43%.

Seagute Technology dropped \$% to \$7% in over-the-counter trading after the company said it would post a significant loss in its fourth quarter.

Digital Communications associates fell \$% to \$23% after disappointing earnings



Sep 1988 Oct

for its first quarter ended September 30.

Canada

STEADY gains throughout the day left Toronto sharply higher. Communications issues led the advance, together with real estate stocks and golds.

The composite index rose
32.8 to 3,343.1

Communications issues were boosted by takeover specula-tion and recommendations,

Nikkei decline continues as buy orders peter out

Tokyo

AN ABSENCE of positive news meant the gloom in the equi-ties market failed to lift, and share prices plunged again, writes Michigo Nakamoto in

The Nikkel average took a sharp downturn, losing 233.15 points to 27,172.34. The high of the day was at 27,395.79 but the low fell to 27,078.56. The TOPIX index of all listed shares fell

20.45 to 2,096.31.

The number of issues that declined outnumbered those that advanced by 650 to 215 while 159 issues were unchanged. Volume was considerably lower at 636.64m shares compared with 992.98m on Wednesday.

In London, Japanese shares dropped further, with the ISE/ Nikkei 50 index 0.29 lower at

The external environment is healthy enough, given lower oil prices on top of stable currency exchange rates and interest rates. A bad market, however, will react to any had news, said Mr Sachio Hori, vice president and general manager of the securities sales division.

of Goldman Sachs (Japan).

The main reason why equities are so weak is the Emperor's illness. "We have a fairly umisual factor at play now," said Mr Stephen Church, head of research at URS-Phillips & Drew. There were high hopes at the start of the month that the new term would usher in a fresh round of vigorous activity. News about the Emperor, however, has more or less put an end to those hopes, said Mr Church, who sees "little move-ment from these levels" over

the medium term.
In addition, the market faces long weekend and uncertainty over US unemployment figures which will only come out after Tokyo'a closing on

Yesterday's weakness stemmed largely from a lack of buy orders rather than a wave of selling. There was no news to invite investors to take an active role in the market. Demand centred mostly on companies that are being. sought for speculative reasons.

Among them was Nippon Min-

ing, which rose to Y734 in

risen recently on speculative buying. Daisue rose to a record high of Y835 in morning trad-ing, but like Nippon, fell back in the afternoon in heavy trading to close up Y10 at Y807. Nichias, a leading ceramic materials maker, also rose on strong speculative interest. The company has been helped by its favourable earnings performance as well as specula-tion that material for heat insulation that it has devel-

oped will be used in the Japanese version of the space shut-tle. Nichias closed at a record high, up Y76 at Y775.
Electronic issues have been suffering losses for the past few days. Analysts say that investors anticipate corporate results in the sector to reach a peak in March of next year and then start to decline. Toshiba lost Y40 to YI,350 in beavy

trading and Sony fell Y80 to Steels, which continued to lead in volume terms, generally declined Sumitomo Metal, which had been bought recently, dropped Y25 to Y725. It was the most heavily traded issue at 63.3m shares. Nippon Steel was the second busiest, with 42.9m shares changing

hands, losing Y23 to Y761. Share prices dropped sharply in Osaka as investors remained reluctant to commit themselves. The OSE average fell 328.37 to 25,454.96. Volume was low at 52.56m shares, compared with 110.03m on Wednesday.

Roundup

YET ANOTHER poor day in Tokyo was shrugged off by Asia Pacific markets, which bounced back from tha midweek slump, with only Taiwan unable to stage a recovery.

AUSTRALIA moved ahead strongly after its recent depression, boosted by gains in New York and London. The 0.1 point rise in the rediscount rate to 13.9 per cent had little effect on sentiment — the market had expected the rise and discounted its effects earlier in the week. A bout of late selling, however, pegged early gains and shares ended well off their day's highs. The All Ordi-

before closing down Y5 at Y705. Daisue Construction is another company that has risen recently on speculative buying Daisue rose to a record high of Y835 in morning tradtheir approval to the takeover of New Zealand group Feitrar. Arladne, the entrepreneurial

investment group which suffered badly from last October's stock market crash, gained i cent to 19 cents. It reported a loss for the year to June of A\$640m - the worst corporate oss in the country's history. HONG KONG closed firmer but trading was dull and the Hang Seng index finished 9.62 up at 2,427.04 on turnover of HK\$296.81m. Sentiment was unaffected by the suspension of trading in Bond Interna-tional after rumours circulated that parent group Bond Corp might privatise the company, The most actively traded

stock was Hung Kong Bank, adding 5 cents to HK\$5.95, fol-lowed by Henderson, also 5 er, at HK\$4.80, and Jardine Matheson, 10 cents higher at HK\$13.10. SINGAPORE bounced back from three days of two-digit falls. In spite of Tokyo's fall, it closed higher as small inves-

tors went in search of bargain buys. The Straits Times indus-trial index was 4.56 points firmer at 997.74 as 15.3m shares changed hands.

Property shares advanced on reports that Singapore's rent control laws will soon be amended. The news lifted Singapore Land 20 cents to HK\$7.20.

TAIWAN continued its slide, with trading almost storping in its tracks because of the lack of buyers. The market has now fallen for seven consecutive days. The weighted index closed 157.66 down at 7,423.68 in pitifully low volume of 9.6m, compared with 142m shares on Wednesday.

SOUTH AFRICA

CONCERN over whether the price of bullion would hold above \$400 limited price rises yesterday in Johannesburg, but gold issues ended firmer overall. Consulidated Gold Fields, appealing to President Reagan to block a proposed takeover bid by Minorco, fell heavy trading during the day naries index closed 4.2 higher R2 to R86.

EUROPE Corporate results help to keep interest alive

yesterday, with corporate news and takeover talk helping to sustain interest, writes Our

Markets Staff. PARIS was active again on takeover speculation although profit-takers appeared yesterday in response to recent gains. The CAC General index sed 0.3 to 382 and the OMF 50

index edged up 0.22 to 391.74. Paribas was active on rumours of stakebuilding, rising FFr18 to FFr472. CCF, with improved profits announced on Wednesday, added FFr2 to a new year high of FFr147 with a y 284,000 shares traded.

LVMH, the luxury goods group still facing rumours of a split between the main share-holders, jumped FFr113 to FFr3,200 with 33,400 shares changing hands, while drinks group Pernod fell FFr8 to FFr1,185 on the first day of a court case in Dublin which could sort out the bid battle for Irish Distillers between it and Grand Metropolitan of the UK. FRANKFURT continued its climb, with sentiment helped by figures showing new orders for general industry in September maintaining good growth. Recent bullish news from the construction sector and last

Takeover speculation

bourses from their sum mer sleep last month, pushing volumes back to respectable

evels, especially in France and

Rumours of stakebuilding, renewed bid battles and mys-

tery buying proved a welcome injection; turnover soared by 70 per cent in Belgium, 63 per

cent in France and 26 per cent in West Germany, according to provisional figures from County NatWest WoodMac. Only the Netherlands saw

reduced volumes, with a 28 per

cent drop to F1 8.6bn (\$4.1bn).

The activity also helped to boost share prices in the main markets after a dull summer with little movement. In Germany, the FAZ index climbed by 7.7 per cent last month

by 7.7 per cent last month, while France's CAC index

jumped by 8.4 per cent.

Over the past week, most volumes have fallen back

somewhat, although Spain is finally seeing renewed buying interest on the back of bid

seas demand for selective stocks.

helped shake European

week's fall in unemployment Benedetti was the secret stake-have also helped keep the mar-builder in Interbanca were

The DAX real-time index closed 9.32 points up at 1,261.63 and the FAZ index rose 2.32 points to 519.54. A total of DM2.9bn worth of German shares were traded.

VW gained DM5.50 to DM281.30 on strong demand from the UK in reaction to the comment by the car maker's chairman that this year's profits would rise by more than the rumoured 9 per cent.

Insurer Allianz, however, suffered from the news that this year's dividend will stay unchanged and suggestions that profits might also show no advance on last year. After good figures from other blue chip stocks, one dealer described the news of Allianz's stagnation as "very disappoint-ing," and the shares fell DM17

MILAN maintained its upward momentum, although the pace of its advance slowed somewhat after the vote on the abolition of the secret ballot system was once again postponed by Parliament. The Comit index closed up 1.88

scotched yesterday when Mr Florio Fiorini said he had acquired 51 per cent of Inter-banca through his Genevahased holding company Sasea.

Analysts do not think the
holding is an investment stake,
and expect Mr Florini to sell it on when he finds a buyer at the right price. Trading in Interbanca was suspended earlier this week at L41,000.

Insurer Generall, currently in the process of raising L1,100bn through a rights issue, fell L780 to L42,520 while profit-taking pegged back some of the recent gains in publisher Mondadori, which ed L1,495 lower at L21,505. ZURICH rose steadily in thin trading as institutional and overseas investors stayed on overseas investors stayed on the sidelines awaiting the lat-est US economic news. The Crédit Suisse index gained 3.9 points to 484.1, while the indus-trial index rose 3.4 to 522.5. Among banks, expectations of good interim results saw

Union Bank improve SFr10 to SFr3,275 and Swiss Bank Corp add SFr3 to SFr381. Insurers were mixed with Swiss Re down SFr50 at SFr12,900 on dis-

EUROPEAN EQUITIES TURNOVER

40.2 70.4

60.1

12,748.0

Monthly total in local currencies (bn)

as takeover battles, both real and rumoured, feelled investor interest. Strong economic fundamentals helped sustain demand, but it was the rumour mill that kept things going.

Drinks company Pernod saw hectic trading before launching its bid for Irish Distillers. Agence Havas was busy amid rumours of a reshuffling of hard core shareholdings, and luxury goods group LVMH continued to see speculative

tinued to see speculative demand on talk of a rift between the two main share-

holders. The car components

sector was frothy on sugges-tions of a possible bid for, or

59.7 81.8

68.0 13,644.0 11.4

33.2 60.4 39.3 9,704.0 7.3 418.0

38.9 52.0 33.3 12,692.0

from, Valeo

9.1 429.7

this month to be true when Valeo launched a bid for Epeda And construction com-

pany Bouygues saw rumours of a possible buy-out or a bid. in Germany, where daily vol-umes climbed back to levels of

around DM4bn on some days
- from lows in the summer of

under DM2hn — speculation surrounded stocks such as BMW, Deutsche Bank and

Allianz, the insurer. The promising outlook for the economy aided sentiment, as did the sta-ble environment for currencies

that emerged as a result of the Group of Seven meeting

Takeover talk stimulates volumes

Turnover picked up in Europe last month, writes Hilary de Boerr

43.4 48.0 52.8 11,476.0 11.9

326.1 14.0

74.1 78.0

11,331.3

Belgium's place at the top of

the list in terms of improved

turnover last month is tha

result of good corporate earnings, stakebuilding and con-comitant speculation. Unidenti-fied buying in Tractebel, the energy and engineering hold-ing company took the stock

ing company, took the stock and the market to new highs

for the year. Turnover soared as speculators jumped on the bandwagon, with 240,000 Trac-

tebel shares traded on one day. Steel stocks and utilities, as

well as oil group Petrofina,

also drew strong interest. France was back at the

323.4

STOCKHOLM reacted posi-tively to the previous day's economic speech from Finance Minister Kjell-Olof Feldt, with the Affärsvärlden index climbing 9, or 1 per cent, to 928.1.
Mr Feldt sprang no surprises, but did hint about measures to curb inflation and made clear that economic growth would be higher than Foreign demand pushed

pharmaceuticals higher, with Astra free B shares rising SKr5 to SKr193 and Pharmacia gaining SKr3 to SKr163. BRUSSELS rose slightly at the beginning of a new two-week trading account period. The market was generally quiet, although interest was

shown in steel and metal construction stocks. In the steel sector, Luxen-bourg-based Arbed, which announced a sharp turnround in first half results as the company returned to profit, picked up BFr25 to BFr3,505. Cockerill gained BFr4 to BFr326 on heavy turnover of 87,000

Holding company GBL moved up BFr85 to BFr3,950; it later announced a 4 per cent rise in first half profits. In the

1st qrir '88 mnibly av

116.7 53.9 42.5

14,672.0 9.9 424.7 17.8

- which proved

Vieille-Montagne, which reported it had returned to profit, rose BFr340 to BFr9.000. AMSTERDAM was moderately active and most stocks registered gains, with the CBS index closing at its day's high of 100, up 0.3. The market was approximately the rise of Wall encouraged by the rise on Wall Street and a firmer dollar. Strong demand lifted Gist-brocades, the biochemical company, Fi 3.50 to Fi 43.90, amid akeover rumours.

Twentsche Kabel gained Fl 9.30 to Fl 100.50. It reported a 78 per cent rise in first half-profit on Wednesday and raised its interim dividend to Fi 1.40 from 60 cents. MADRID edged higher, with little news to inspire trading, and the general index added 0.32 to 282.32.

The market has risen just 1.05 points this week, but hro-kers James Capel say it could regain its all-time high of 320 in the short-term. Capel's technical analysis team says that the bounce in the index from the 200-day moving average signals a buying opportunity for Spain. "It signals the first rally of the final down leg of a bear market and has the best chance of exceeding the sum-

THE FIRST SIX MONTHS

Rank in sector American Growth +11.5% 18th out of 119 **European Growth** +12.1%9th out of 102 **International Growth** + 2.6% 59th out of 167 **UK Equity Income** + 4.5% 7th out of 125

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(Source: Opal, offer to bid, net income relavested 01.04.88 - 01.10.88)

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FT-ACTUARIES WORLD INDICES

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REGIONAL MARKETS	ì	SHUES	BAY OCTUBE	K 6 1765		WEDNE	SOAY OCTUB	EE 5 1700	BOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Oiv, Yield	US Dollar Index	Pound Sterling index	Local Correscy Index	1988 High	1988 Low	Year ago (approx)
Australia (91)	137.80	+1.2	120.64	114.89	4.26	136.18	119.04	114.58	152.31	91.16	170.49
Austria (17)	88.54	-0.2	77.51	85.68	2.48	88.70	77.54	85.82	98.18	83.72	101.81
Belgium (63)	123.04	+1.2	107.71	119.85	4.21	121.59	106.29	118.44	139.89	99.14	125.34
Canada (126) Denmark (39)	119.84	+0.4	104.92	105.18	3.15 2.30	119.35	204.33	104.35	128.91	107.06	133.74
Denmark (39)	133,25	-0.2	116.65	129.99	2.30	133.50	116.70	130.14	133.69	111.42	120.03
Finland (26)	114.11	+0.6	99.90	105.16	1.68 3.26	113.43	99.16	104.81	139.53	106,78	
France (1.30)	100.05	+0.0	87.59	99.66	3.26	100.08	87.48	99.60	100.08	72.77	109.10
France (130)	79.94	+0.2	69.99	77.45	2.39	79.75	69.71	77 <i>.2</i> 2	80.79	67.78	101.75
Hong Kong (46)	99.39	+0.5	87.01	99.70	5.02	98.86	86.42	99.17	111.86	84.90	157.23 157.85 94.78
Ireland (18)	134.96	+1.7	118.15	132 15	3.81	132.76	116.05	130.04	144.25	104.60	157.85
taly (100) Japan (456)	76.28	+0.3	66.78	79.17	2.54	76.08	66.51	78.91	81.74	62,99	94.78
Japan (456)	157.48	-1.1 +0.9	137.87 115.35	132,84 136,38	0.56	159.23	139.20	134.32	177.27	133.61	148.47
Malaysia (36)	131.76				3.09	130.64	114.20	135.04	154.17	107.83	179.59
Mexico (13)	154.88	-1.7	135.59	387.44	1.40	157.61	137.78	394.27	180.07	90.07	406.86
Netherland (38)	102.83	+0.0	90.03	98.63	4.93	102.79	89.86	98.57	110.66	95.23	123,68
New Zealand (26)	70.76	+0.4	61.95 100,37	,61.25	6.42	70.47	61.60	61.32	84.05	64.42	134.95
Norway (25)	114.64	-0.3 +0.8	100.66	107.37 108.03	2.67	115.03	100.56	107.61	132.23	98.55	181.02
Singapore (26)South Africa (60)	107.61	11.1	94.21	94.10	2.53 4.58	114.10	99.74	107.22	135.89	97.99	171.09
South Africa (60)	140.96	103	123.40	131.56	3.04	106.41	93.02	93.04	139.07	98.26	186.20
Spain (42)		+1.0	107.91	116.70		141.37 122.00	123.58	131.73	164.47	130.73	166.54
Swedea (35)		+0.4	68.09	76.33	2.45 2.21		106.64	115.36 76.06	125.50	96.92	136.64
Switzerland (56)	77.78		113.64	113.64		77.51	67.75		86.75	74.13	111.11
United Kingdom (322)	129.81	+0.5	97.52	111.39	4.61	129.18	. 112.92	112,92	141.18	120.66	160.56
USA (582)	111.39	+0.1			3.60	111.23	97.23	111.23	112.47	99.19	128.52
Europe (1013)	106.61	+0.3	93.33	99.15	3.73	106.24	92.87	98.71	110.82	97.01	130.02
Pacific Basin (681)	154.36	-1.0	135.13	130.74	0.79	155.89	136.27	132.08	172.26	130.81	149.51
Euro-Pacific (1694)	135.29	-0.6	118.44	118.02	1.72	136.06	118.94	118.68	147.53	120.36	141.77
North America (708)		+0.2	97.90	111.03	3.57	111.65	97.60	110.82	113.29	99.78	128.80
Earope Ex. UK (691)		+0.2	80.62	90.27	3.00	91.88	80.32	90.02	92.99	80.27	111.04
Pacific Ex. Japan (225)	116.71	+0.9	102.18	104.41	4.47	115 64	101.09	104.02	128.27	87.51	162.40
World Ex. US (1893)	134.51	-0.5	117.75	117.48	1.80	135.21	118.19	118.07	146,49	120.26	142.13
World Ex. UK (2153)	125.08	-0.4	109.50	115.53	2.18	125.55	109.75	115.96	131.77	11177	134.51
	125.59	-0.3	109.95	115.48	2.39	125.98	110.12	115.82	132.39	113.26	
World Ex. So. Af. (2415)		+0.3	96.45	106.63	3.67	109.89	96.06	106.33	112.43		136.51
World Ex. Japan (2019)	116.18						70,00		11245	100.00	131.28
The World Index (2475)	125.48	-0.3	109.85	115.34	240	125.86	110.02	. 115.67	132.38	113.37	136.83
											

Base values: Dec 31, 1986 -- 100; Finland: Dec 31, 1987 = 115.037 (US \$ Index), 90.791 (Pound Starling) and 94.94 (Local). Doyright, The Financial Times, Goldman, Sachs & Co., Wood Mackensie & Co. Ltd.1987